

Dire straits of Eden
'In June, 23 bodies from one boatload of would-be migrants washed up at Tangiers'



Cyber arcade
'Couples can create photos of a virtual baby, generated by merging their facial structures'

<http://www.FT.com>



Close relations
'Sex-wise, humans are practically the weirdest creatures in the animal kingdom'



It's kosher
'The intriguing ways in which our culinary detective tracked the recipes down are a tasty prelude'

NationsBank in record US deal

By John Authers in New York

NationsBank yesterday agreed to pay \$15.5bn for Florida-based Barnett Banks in the biggest banking acquisition in US history. Barnett is the largest bank in Florida - the most profitable banking market in the US - and had long been regarded as the nation's most attractive takeover target.

This justified a substantial premium to its market capitalisation of \$10.7bn, according to analysts, although few had predicted that North Carolina-based NationsBank would pay so much.

The previous largest takeover was Wells Fargo's \$12.3bn hostile acquisition of Californian rival First Interstate last year. It is also a key breakthrough by Hugh

McColl, NationsBank's combative chief executive, in his efforts to build the first truly national retail banking franchise.

NationsBank is paying for the acquisition in stock only, offering 1.1875 NationsBank shares for every Barnett share, and the deal will be accounted as a pooling of interests.

NationsBank's shares tumbled 6.61 per cent within minutes of reopening after the announcement, and by mid-afternoon were down 4.4 to 55.9. Barnett shares jumped \$11.4 to \$66.

The price is predicated on huge cuts, with projected annual cost savings of \$915m - or 55 per cent of Barnett's current expense base - within two years. This is likely to bring the deal under close scrutiny from Florida banking

Top five US bank deals

Buyer	Seller	Announced	Announced deal value
NationsBank Corp	Barnett Banks	Aug 29 1997	\$15,500m
Wells Fargo & Company	First Interstate Bancorp	Jan 24 1996	\$12,316m
Chemical Banking Corp	Chase Manhattan Corp	Aug 28 1995	\$11,350m
NationsBank Corp	Boatmen's Bancshares	Aug 30 1996	\$9,750m
First Bank System	US Bancorp	Mar 20 1997	\$9,000m

regulators. It also seems certain to be examined closely by state and federal regulators on competition grounds.

NationsBank is the third-largest bank in Florida, and the merged entity would have about 32 per cent of the market in the state, with shares approaching 50 per cent in some local markets. This is above the 30 per cent

legal maximum set by Florida, so NationsBank would be forced to divest some branches.

The deal was swiftly negotiated after Barnett had informed several banks that it was effectively up for sale to the highest bidder.

The only rival banks to have expressed a substantial interest are San Francisco-based BankAmerica - which will now be

replaced by NationsBank as the nation's third largest - and Ohio-based Banc One. Their interest will have helped to push up the price NationsBank was prepared to pay.

The deal bears striking similarities to last year's takeover of St Louis-based Boatmen's Bancshares by NationsBank for \$9.7bn.

That also followed a swift auction process and was announced on the Friday before the Labor Day holiday weekend.

Tom Hanley, banking analyst at UBS Securities, said NationsBank had a big advantage over both its competitors because it already had such a large foothold in the market. This will make it much easier for NationsBank to cut costs, because in many cases

the two banks have branches close together.

He said: "Because Hugh McColl has got a very substantial beachhead in Florida right now, he can afford to pay the highest price."

"This is not a typical bank for him to buy. It's not distressed. It's a high performing revenue-generating bank which has excellent technology."

Mr McColl has made clear that his long-term interest is in California, where several large mergers have reduced the number of banks he could plausibly buy.

But analysts suggested yesterday that the Barnett acquisition would strengthen NationsBank's hand in attempts to persuade a Californian bank - possibly BankAmerica or Wells Fargo - to enter into a friendly merger.

Anger as Sinn Féin cleared to join Ulster peace talks

By George Parker in London

Northern Ireland's largest unionist party has left open the possibility of participating in talks on the future of the province, in spite of its anger at the British government's decision yesterday to let Sinn Féin join the process.

David Trimble, leader of the Ulster Unionist party, reacted furiously to the admission of Sinn Féin, the political wing of the outlawed Irish Republican Army, claiming the republican negotiators had "blood on their hands". But he kept open the prospect of leading his party into the negotiations in the Northern Ireland assembly, due to start on September 15.

Mo Mowlam, Britain's Northern Ireland secretary, yesterday confirmed Sinn Féin would be allowed to join the talks after she decided that the IRA ceasefire was genuine.

"I am satisfied there has been a cessation of IRA attacks," she said. "Moreover, there has been no evidence of active targeting and paramilitary assaults which can be directly attributed to the IRA."

On September 9, Martin McGuinness, Sinn Féin's chief negotiator, and his team will sign up to the principles of democracy and non-violence laid down by US Senator George Mitchell. Six days later, they will join the talks.

Ms Mowlam yesterday ignored the Ulster Unionists to be there too.

"We have got to understand the past. We have got to make sure we know and learn lessons from it, but my goodness we do not have to live in it," she said.

Reservations on talks, Page 5

Brunei intervention seen to calm Asian currencies

By James Kynge in Kuala Lumpur and Philip Coggan in London

Reported intervention by the sultanate of Brunei, whose ruler is reputed to be the world's richest man, helped restore some composure to south-east Asia's embattled currencies yesterday. But regional stock markets had another difficult day.

The Hang Seng index in Hong Kong fell 5 per cent after Thursday's 4 per cent decline. The Indonesian market slid by nearly 7 per cent, its biggest one-day fall. There were signs of many international investors withdrawing funds from the region in the wake of fears about economic strength and currency stability.

A belief that local interest rates might be raised contributed to the fall in Hong Kong, one of Asia's strongest performing markets this year. In Tokyo, the Nikkei 225 average dropped 1.2 per

cent, reflecting the problems that slowing Asian growth would cause the Japanese economy.

The Asian markets' turmoil continued to affect Europe. The FTSE 100 index in London dropped 27.9 to 4,817.5 and the CAC 40 in Paris fell 2 per cent. Wall Street had early losses but rebounded.

Currency dealers said they noticed the heavy presence of the Brunei Investment Agency buying Malaysian and Singapore dollars in an unusual move by the oil-rich state, which counts the two countries as its closest allies. The agency declined to comment.

Both currencies recovered from historic lows against the US dollar following the intervention. The Malaysian currency reached M\$2.8630 against the US dollar from of M\$2.9650 before drifting down again to M\$2.9030. The Singapore dollar recovered to S\$1.4960 from a 38-month low of S\$1.5376. It slipped again later.

Dealers estimated the cost of several interventions by Brunei at several hundred million US dollars. Hassanali Bolkiah, the sultan, finished a visit on Wednesday to Malaysia, where he was awarded a concession to build a five-star hotel in central Kuala Lumpur.

Concerted buying by pension funds and other state-run Malaysian institutions helped support stock prices, in spite of widespread nervousness over the surprise imposition this week of what was, in effect, a ban on short-selling.

The main Malaysian index was lower for the fifth consecutive day, but its loss was confined to less than 1 per cent.

In Thailand, a source of the region's problems, stocks fell for the 11th consecutive day.

Details, Page 3; Currencies, Page 9; London stocks, Page 17; World stocks, Page 21; Lex, Page 24



Ghost town: Plymouth, capital of the Caribbean island of Montserrat, lies beneath a blanket of ash and superheated rock. The Soufrière Hills volcano - at the back of the picture - has destroyed the town and sealed off the southern half of the island, forcing residents to abandon the area.

News General

New Algerian violence

The violence in Algeria reached new heights yesterday with the killing of at least 96 people in villages south of the capital, Algiers. The official toll was disputed by some opposition parties and news agencies, which quoted residents as saying more than 200 people had died in the massacres in Sidi Moussa, some 20km from Algiers. It was the most serious attack reported in the troubled country since the conflict erupted in 1992, when the army cancelled elections which the Islamic Salvation Front had been poised to win. Page 2

Athens on the last lap: The smooth organisation of the world athletics championships in Athens earlier this month may have boosted Greece's chances in the race to host the 2004 Olympics. A decision on the venue is to be announced by the International Olympic Committee next week. Greece's \$1.8bn budget for the games forecasts a small profit of \$36m, and a \$215m reserve will be set up to cover spending overruns. Page 2

Battle against the bugs: As the US Department of Agriculture supervises the largest recall of contaminated meat in history - enough to make 100m beefburgers - an epidemic of food poisoning is gripping the world. A study by the World Health Organisation suggests that every day millions of people suffer from diseases caused by contaminated food. Page 7

Albright Middle East trips: US secretary of state Madeleine Albright will leave on September 9 on her first trip to the Middle East, the state department said. She will visit Israel, the Palestinian Authority, Egypt, Jordan, Syria and Saudi Arabia. Her trip marks fresh US attempts to restart the deadlocked Middle East peace process.

Woman in the News

Bijana Plavsic

The Bosnian Serb president won a reputation during the civil war as a fervent nationalist ideologue. But she accepted the US-mediated Dayton accord, split with the still powerful Radovan Karadzic and dreams of a country that is "multi-ethnic, like England, Germany and other European countries. Nobody wants it to be a territory just for Serbs".



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News Business

Daimler's Smart move

Daimler-Benz is taking virtually full control of its "Smart" city car joint venture with Swiss watch maker SMH, and injecting major new capital into the project. "Swatch" maker SMH (Société Suisse Microélectronique et d'Horlogerie) said only that the restructuring was "as agreed" by the partners. But industry analysts believe SMH has become worried about the scale of the venture, the potential risks attached to it, and a possible link with the recent poor performance of its share price. Daimler-Benz is increasing its stake in the venture to 81 per cent from 51 per cent, with SMH retaining 19 per cent. Page 24

Krupp and Thyssen draw closer: Impending negotiations on closer co-operation between Krupp and Thyssen could result in a merger of the two German engineering groups provided the move benefits both sides, according to Krupp chief executive Gerhard Cromme. "Everything is possible, including a merger," said Mr Cromme, who earlier this year failed in a bid to launch a hostile, debt-financed takeover of the larger Thyssen group. Page 24; Thyssen sells stake, Page 23

Magellan follows the trend: Fidelity Investments, the world's largest fund manager, seemed to have signalled the start of a new era this week when it announced that its Magellan mutual fund would close to new investors from the end of next month. Magellan has significance beyond its size - \$82.9bn in assets. Using advertising for its vestment performance and selling directly to small investors, the fund became the flagship for the mutual fund industry. For once, though, Magellan is following a trend rather than setting one. Page 7

Bae's Bauman to be BTR boss: Bob Bauman, chairman of British Aerospace, is set to become non-executive chairman of industrial conglomerate BTR on the retirement of Edwyn Eilledge. BTR announced that the 66-year-old American industrialist would join the board as non-executive deputy chairman in October, becoming chairman at the annual meeting next May. BTR shares closed up 10p at 216.4p (83.46). Page 22; Lex, Page 24

Put to the screen test: Dutch group PolyGram is making a \$1.5bn gamble to become the first European investor to succeed in Hollywood with *The Game*, directed by David Fincher of *Seven* and starring Michael Douglas. The film's fate will help determine whether an outsider can break into one of the world's toughest markets and whether a new kind of movie business is possible. Page 7

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Algeria L\$100	Austria S\$100	Bahrain D\$1,000
Bermuda \$2.00	Belgium F\$100	Canada C\$100
Chile P\$100	China R\$100	Czechia Kc\$100
Cyprus C\$1.00	Denmark D\$100	Egypt E\$100
Egypt E\$100	Finland F\$100	France F\$100
Germany D\$100	Hong Kong H\$100	India R\$100
Indonesia Rp\$100	Italy L\$100	Japan Y\$100
Korea W\$100	Malaysia M\$100	Mexico M\$100
Norway N\$100	Poland Z\$100	Portugal P\$100
Romania R\$100	Saudi Arabia R\$100	South Africa R\$100
Spain P\$100	Sweden S\$100	Switzerland S\$100
Taiwan T\$100	Thailand B\$100	Turkey L\$100
USA \$1.00	UK £1.00	Yugoslavia Y\$100

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Latest attack on villages
claims at least 98 lives

Violence in Algeria hits crescendo

By Roula Khalaf in London

Algeria's violence reached a new crescendo yesterday with the killing overnight of at least 98 people in villages south of the capital, Algiers, and the wounding of another 120.

The army-backed government's official toll was disputed by some opposition parties and foreign news agencies.

They said that residents were reporting more than 200 people dead in the massacres in Sidi Mousa, some 30km south of Algiers.

It was the deadliest attack reported in the oil-rich country since the outbreak of conflict in 1992, when the army cancelled elections which the Islamic Salvation Front had been poised to win.

Attacks against civilians in villages only an hour from the capital have become regular occurrences in the past year, but the pace, size and geographical spread of the massacres have picked up in recent weeks. "The frequency and size of these massacres have moved to quite a different level now," said a western diplomat in Algiers.

Several hundred people have been killed since Sunday in massacres and bomb explosions.

A bomb exploded late on Thursday in a cafe in the western Algerian city of Oran, leaving many injured.

Oran in the past had been largely spared violence.

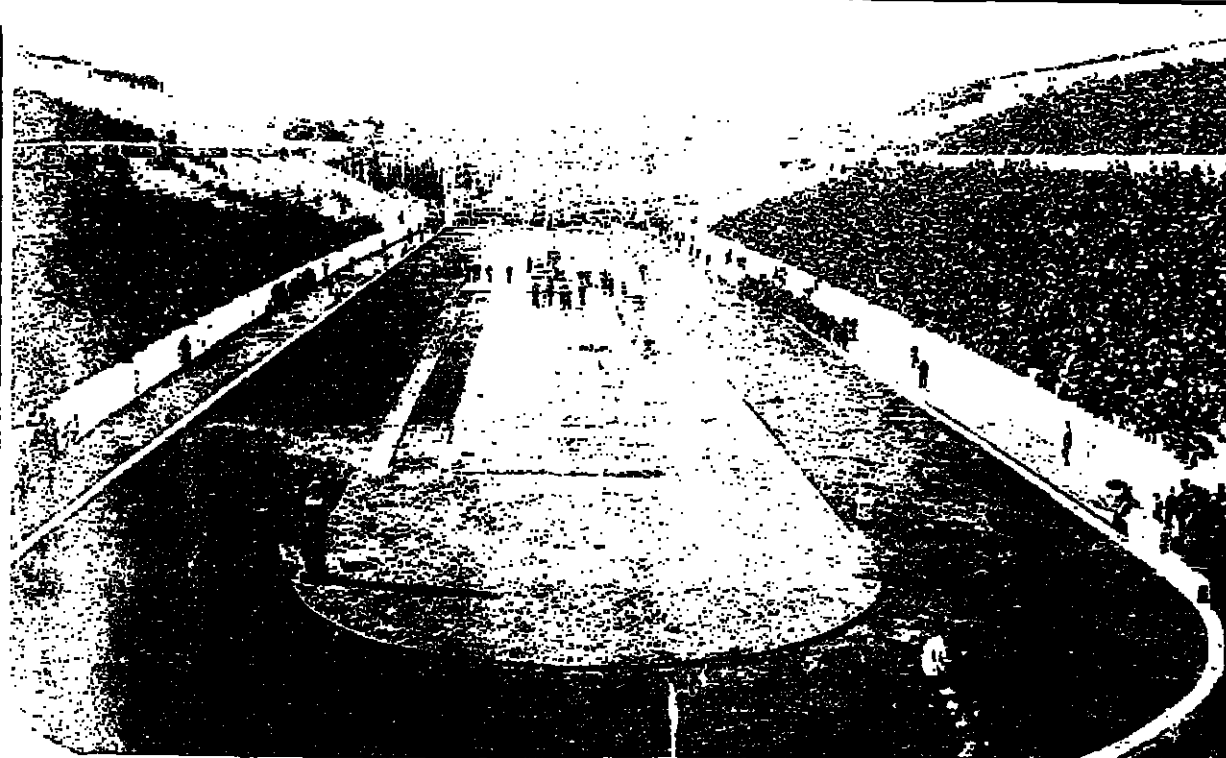
Thursday's bomb followed two other explosions earlier in the week in Algiers.

The attacks are also becoming increasingly savage. Algerian newspapers say that some massacre victims have been dismembered and beheaded. The French news agency Agence France Presse yesterday quoted local farmers in Sidi Mousa as saying that most of the dead there had their throats cut or were burned alive.

Some of Algeria's opposition parties yesterday called on the government to abandon its claims that the country faces a controllable terrorist threat that can only be dealt with by force. "This is a phenomenon of huge proportions," said Samir Bouakour, spokesman for the Socialist Forces Front. "We call on the government to assume its responsibility and work for a political solution."

The government blames all attacks on Islamist extremists who, it says, are taking their revenge on civilians who have stopped helping them. The Algerian media have no way of verifying independently who is behind the attacks or how many people are killed.

A western diplomat in Algiers said: "We don't know what is going on and we're not sure the state even knows. It is not clear who is being targeted and why."



Athens, site of the original Games in 1896 (above), hopes to secure the Olympics in 2004

Athens enters final lap in race for Olympic Games

The successful world athletics championships have lifted Greek hopes, says Kerin Hope

Despite angry exchanges between Greek and Italian officials, the smooth organisation of the world athletics championships in Athens earlier this month may have boosted Greece's chances in the race to host the 2004 Olympic Games. A decision on the venue is to be announced by the International Olympic Committee next week.

While the Greek bid committee has worked hard to reverse the humiliation of losing the 1996 centennial Games to Atlanta, the athletics championships were seen as a practical test of Athens' candidacy.

Events were punctuated, although competitors complained about having to get up at dawn for heats held early in the morning to avoid the fierce August heat. It helped that atmospheric pollution – the main objection to holding the Games in Athens – was low. To avoid traffic hold-ups, a problem in Atlanta, Greek police escorted athletes' buses to and from the Olympic stadium.

Nonetheless, the Greeks faced a barrage of criticism

from Primo Nebiolo, president of the International Amateur Athletic Federation and a member of the rival Italian committee bidding to hold the 2004 Games in Rome.

After dismissing Greek sports officials as "mediocre", Mr Nebiolo claimed Greece had too many problems with its Balkan neighbours and Turkey to stage a successful Olympics. Theodoros Pangalos, the Greek foreign minister, retorted that Mr Nebiolo should not mix politics with sports.

More worrying for the Greek bid was the half-empty stadium seen by television viewers worldwide. A poor marketing campaign and high ticket prices kept spectators away. But attendance was also hit by the annual holiday exodus to the Aegean islands by almost 1m city residents.

Gianna Angelopoulos-Daskalaki, who chairs the Athens bid committee, says that the Olympics will be

held later in August when temperatures are cooler and most Athenians have returned home.

She stresses the strength of support for the Olympics, with more than 96 per cent of Greeks in favour of the bid. This enthusiasm appears to reflect a growing interest in participating in sports, fuelled by the successes of Greek athletes, who won an unprecedented four gold medals at Atlanta.

"Sport is no longer a minority interest," says Andreas Fouras, sports under-secretary. "Improvements in sports facilities through the 1980s have started to pay off and sponsorship contracts are helping to raise standards."

In contrast with its previous attempt, Greece's bid focuses on technical issues rather than history and sentiment, Mr Fouras says. The \$1.3bn budget forecasts a small profit of \$36m, and a \$215m reserve will be set up to cover spending overruns.

More than 70 per cent of facilities for the Games are already built and only one complex still has to be completed.

Events would be accessible because they would all be held within 45 minutes of the centre of Athens. Athletes would be housed in an Olympic village near Mount Parnes in a green belt on the edge of the city.

Several infrastructure projects are due to be completed by 2002, including a new international airport for Athens and a toll highway linking the airport with the city centre. Even the much-delayed metro extension will be finished.

Athens' shortage of first-class hotels will be quickly overcome if the city is awarded the Games, Mr Fouras says. International hotel chains will build four new hotels around the city and "any overspill of visitors will stay aboard a flotilla of cruise ships that would be anchored off Falirion bay, close to one of the main sports complexes."

This is the last in a series of articles on the five shortlisted cities bidding to host the 2004 summer Games.

Rift deepens for Russia's reformers

By Christy Freeland in Moscow

The parliamentary leader of Our Home is Russia, the pro-government bloc in the legislature, resigned yesterday in a sign of increasing tension between moderates and radical reformers in the Russian cabinet.

Sergei Belyayev denounced the group, which is also a national political party, as "a nomenklatura organisation, based on the apparatus principles of nomenklatura capitalism."

The criticism was a blow against Victor Chernomyrdin, Russian prime minister, who founded and has led the national Our Home is Russia organisation.

Mr Belyayev is a long-standing ally of Anatoly Chubais, the reformist first deputy prime minister, who has recently clashed with the premier over several high-profile issues.

Mr Chernomyrdin and other Our Home is Russia leaders dismissed Mr Belyayev's stinging departure as an emotional reaction to criticism of his leadership from other faction members. One deputy said that Mr Belyayev was to have been sacked from his

post next week for his poor performance.

But analysts saw his departure as a sign that Russia's boldest reformers, who have been tied to the more conservative prime minister in a political marriage of convenience, are seeking to rebuild an independent political base.

Nezavisimaya Gazeta, a Moscow newspaper, predicted that Mr Belyayev, together with several other deputies who are expected to defect from the Our Home is Russia faction, would join Russia's Choice, the radical reform party which Mr Chubais helped to found.

"This new alliance is an effort to bring together a new lobby group backing the 'young reformers' in the government and to separate them from the current amorphous government group, which leans ideologically towards the Communist party," Nezavisimaya Gazeta wrote.

The so-called "young reformers" in the cabinet, led by Mr Chubais and Boris Nemtsov, another first deputy prime minister, have been careful to be publicly loyal to the prime minister, seeking to appease rather than antagonise him.

California takes aim at makers of cheap guns

By Christopher Parkes in Los Angeles

California's state assembly has approved a bill aimed at stemming the flow of cheap handguns into the US market by shutting down half a dozen factories in the Los Angeles area which account for about 80 per cent of the nation's supply.

The legislation, which must be approved by the senate and signed by Pete Wilson, the state governor, represents California's contribution to a national trend towards limiting the supply of so-called Saturday night specials.

Several states, and dozens of cities and counties throughout the US, have introduced their own control measures in recent years. Massachusetts, the most recent example, has imposed strict quality and safety regulations which in effect ban the sale of junk guns in the state.

California's legislation has followed a similar track by demanding US-made handguns should meet federal standards for imported weapons. These standards, which have stifled the import trade – and benefited domestic manufacturers –

were imposed after Senator Robert Kennedy was murdered in 1968 with an imported pistol. Junk guns typically cost less than \$140 new, are easily concealed, and are the favoured weapons of young criminals.

They are believed to change hands on the street for as little as \$30-\$40. Some opponents of the bill have argued that the ban would simply drive the manufacturers to other states. However, claims that the ban would deprive the poor of the ability to defend themselves have carried more weight.

Although the state senate is expected to approve the law, Mr Wilson's office has hinted that his signature – necessary for implementation – should not be taken for granted.

He has shown markedly more enthusiasm for a bill, still at the committee stage, which would sharpen the penalties for gun-related crimes.

Under the proposal, judges would be required to add 10 years to the sentence of anyone carrying a gun during a crime, 20 years for firing it, with a mandatory life sentence for causing injury.

INTERNATIONAL NEWS DIGEST

US consumer spending rises

US consumer spending rose by 0.8 per cent in July from a month earlier, to a seasonally adjusted annual rate of \$5,490bn, alarming the stock markets which sank in early trading on fears that the Federal Reserve will be forced to raise rates soon.

Figures also showed that personal incomes increased by \$9.5bn, or 0.1 per cent, the slowest monthly gain since October 1996. This suggests that spending will not be sustained past summer. Disposable income, adjusted for inflation, actually fell and Merrill Lynch predicted this would restrain consumers from "becoming overly zealous".

Car sales, boosted by lower prices, accounted for much of the consumer spending advance. Consumption of durable goods – those expected to last more than three years – jumped 1.9 per cent. But while Americans were spending more they were saving less: savings as a percentage of disposable income was 3.7 per cent in July, from 7.3 per cent in June. Nancy Dunne, Washington

TREATY WITH RUSSIA

Armenia upbeat on accord

Armenia yesterday signed a military and economic co-operation treaty with Russia which the Armenian president said would make his small, land-locked state the Kremlin's closest ally among the former Soviet republics.

"It's an all-embracing document whose realisation would bring us not just a strategic partnership but also more close-knit relations with Russia," Levon Ter-Petrosyan, the Armenian leader, said after signing the pact in Moscow. "I think the deal we signed today goes further than the Russian-Belarusian union, if we manage to realise it."

Boris Yeltsin, Russian president, was equally upbeat, saying the treaty "reflects the will of our people to live together". Unlike Belarus, on Russia's western flank, Armenia does not share a border with its ally and its leaders have ruled out full political union.

In contrast with many other former Soviet republics, which see Russia as a threat to their independence, Armenia has looked to Moscow, with which it shares a Christian tradition, as a protector against Muslim neighbours. Christy Freeland, Moscow

MOTORWAY CHARGES

Spain fears road toll clash

The Spanish government admitted yesterday that it could clash with the European Commission over a decision to cut value-added tax on motorway tolls from 16 to 7 per cent.

The new rate was part of a reduction agreed by the cabinet, covering all passenger transport including airlines and ferries. The Commission has already taken issue with several other EU countries over the application of zero rates to road and bridge tolls. Miguel Angel Rodriguez, government spokesman, said Madrid understood the Commission's wish to harmonise VAT rates, and had opted for a half-way solution. But the Socialist opposition said the move was "full of irregularities from the EU viewpoint".

A reduction of toll costs was one of the promises made by the centre-right Popular party government last year to secure parliamentary support from Catalan nationalists. Catalonia has Spain's highest concentration of toll roads, with charges higher than the European Union average. David White, Madrid

BRAZIL DOCK WORKERS

Santos strike threat

Dock workers at Santos, Latin America's biggest seaport, have threatened to strike from September 9 in a dispute with Brazilian port authorities over lay-offs and working conditions.

The dockers voted for strike action late on Thursday, less than three weeks before the planned privatisation of Santos's biggest container terminal on September 17. Union officials said they would paralyse the port unless Codesp, the São Paulo state ports authority, altered plans to dismiss 2,300 workers on September 1 and make them register as freelance workers with a federal agency.

The move is part of efforts to modernise operations at Santos, where payroll spending is in part responsible for making it one of the most expensive ports in the world.

A union official said the dock workers would strike if lay-offs proceeded before agreement was reached on a collective contract similar to that covering freelance cargo handlers working on-board ships. Codesp said that "so far" there were no plans to postpone the dismissals. Jonathan Wheatley, São Paulo

ALBANIA POLITICS

Bank governor dismissed

The supervisory board of the Bank of Albania has dismissed Qamili Tusha, governor of the central bank, and has recommended the appointment of Shkelqim Cani, a close associate of Fatos Nano, the Socialist prime minister.

Mr Tusha was appointed with a seven-year mandate in April as part of the campaign by the discredited former president, Sali Berisha, to impose his influence on the central bank.

The appointment of Mr Cani, a socialist MP and a former deputy prime minister, is part of the new government's campaign to take control of key institutions. Mr Tusha has been removed as Albania is locked in sensitive negotiations with the International Monetary Fund on the terms of an emergency economic support package. Kevin Dove, East Europe Correspondent

ECONOMIC WATCH

Italy returns to growth

Italy has pulled out of its temporary slowdown, with figures for the second quarter showing gross domestic product grew by 1.5 per cent. The preliminary figures for the quarter, released yesterday by the national statistical agency Istat, suggest the Italian government is likely to meet its target of 1.2 per cent GDP growth for the year.

The 1.5 per cent rise over the opening period, when GDP dipped by 0.2 per cent, was above expectations and reflected the surge in domestic car sales as a result of the government's incentive programme for new car purchases. Istat officials said the tyre and rubber industry as well as the drinks sector had shown strong growth in the second quarter.

The treasury is expected to confirm next week that the public sector borrowing requirement has been more than halved in the first eight months of this year to about 132,000bn (\$18bn), from 171,650bn in the same period last year. Paul Bettis, Milan

Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
Algeria	1.2	1.5	1.8	2.1	2.4	2.7	3.0	3.3	3.6	3.9	4.2	4.5	4.8	5.1	5.4	5.7	6.0	6.3	6.6	6.9	7.2	7.5	7.8	8.1	8.4	8.7	9.0	9.3	9.6	9.9	10.2	10.5	10.8	11.1	11.4	11.7	12.0	12.3	12.6	12.9	13.2	13.5	13.8	14.1	14.4	14.7	15.0	15.3	15.6	15.9	16.2	16.5	16.8	17.1	17.4	17.7	18.0	18.3	18.6	18.9	19.2	19.5	19.8	20.1	20.4	20.7	21.0	21.3	21.6	21.9	22.2	22.5	22.8	23.1	23.4	23.7	24.0	24.3	24.6	24.9	25.2	25.5	25.8	26.1	26.4	26.7	27.0	27.3	27.6	27.9	28.2	28.5	28.8	29.1	29.4	29.7	30.0	30.3	30.6	30.9	31.2	31.5	31.8	32.1	32.4	32.7	33.0	33.3	33.6	33.9	34.2	34.5	34.8	35.1	35.4	35.7	36.0	36.3	36.6	36.9	37.2	37.5	37.8	38.1	38.4	38.7	39.0	39.3	39.6	39.9	40.2	40.5	40.8	41.1	41.4	41.7	42.0	42.3	42.6	42.9	43.2	43.5	43.8	44.1	44.4	44.7	45.0	45.3	45.6	45.9	46.2	46.5	46.8	47.1	47.4	47.7	48.0	48.3	48.6	48.9	49.2	49.5	49.8	50.1	50.4	50.7	51.0	51.3	51.6	51.9	52.2	52.5	52.8	53.1	53.4	53.7	54.0	54.3	54.6	54.9	55.2	55.5	55.8	56.1	56.4	56.7	57.0	57.3	57.6	57.9	58.2	58.5	58.8	59.1	59.4	59.7	60.0	60.3	60.6	60.9	61.2	61.5	61.8	62.1	62.4	62.7	63.0	63.3	63.6	63.9	64.2	64.5	64.8	65.1	65.4	65.7	66.0	66.3	66.6	66.9	67.2	67.5	67.8	68.1	68.4	68.7	69.0	69.3	69.6	69.9	70.2	70.5	70.8	71.1	71.4	71.7	72.0	72.3	72.6	72.9	73.2	73.5	73.8	74.1	74.4	74.7	75.0	75.3	75.6	75.9	76.2	76.5	76.8	77.1	77.4	77.7	78.0	78.3	78.6	78.9	79.2	79.5	79.8	80.1	80.4	80.7	81.0	81.3	81.6	81.9	82.2	82.5	82.8	83.1	83.4	83.7	84.0	84.3	84.6	84.9	85.2	85.5	85.8	86.1	86.4	86.7	87.0	87.3	87.6	87.9	88.2	88.5	88.8	89.1	89.4	89.7	90.0	90.3	90.6	90.9	91.2	91.5	91.8	92.1	92.4	92.7	93.0	93.3	93.6	93.9	94.2	94.5	94.8	95.1	95.4	95.7	96.0	96.3	96.6	96.9	97.2	97.5	97.8	98.1	98.4	98.7	99.0	99.3	99.6	99.9	100.2	100.5	100.8	101.1	101.4	101.7	102.0	102.3	102.6	102.9	103.2	103.5	103.8	104.1	104.4	104.7	105.0	105.3	105.6	105.9	106.2	106.5	106.8	107.1	107.4	107.7	108.0	108.3	108.6	108.9	109.2	109.5	109.8	110.1	110.4	110.7	111.0	111.3	111.6	111.9	112.2	112.5	112.8	113.1	113.4	113.7	114.0	114.3	114.6	114.9	115.2	115.5	115.8	116.1	116.4	116.7	117.0	117.3	117.6	117.9	118.2	118.5	118.8	119.1	119.4	119.7	120.0	120.3	120.6	120.9	121.2	121.5	121.8	122.1	122.4	122.7	123.0	123.3	123.6	123.9	124.2	124.5	124.8	125.1	125.4	125.7	126.0	126.3	126.6	126.9	127.2	127.5	127.8	128.1	128.4	128.7	129.0	129.3	129.6	129.9	130.2	130.5	130.8	131.1	131.4	131.7	132.0	132.3	132.6	132.9	133.2	133.5	133.8	134.1	134.4	134.7	135.0	135.3	135.6	135.9	136.2	136.5	136.8	137.1	137.4	137.7	138.0	138.3	138.6	138.9	139.2	139.5	139.8	140.1	140.4	140.7	141.0	141.3	141.6	141.9	142.2	142.5	142.8	143.1	143.4	143.7	144.0	144.3	144.6	144.9	145.2	145.5	145.8	146.1	146.4	146.7	147.0	147.3	147.6	147.9	148.2	148.5	148.8	149.1	149.4	149.7	150.0	150.3	150.6	150.9	151.2	151.5	151.8	152.1	152.4	152.7	153.0	153.3	153.6	153.9	154.2	154.5	154.8	155.1	155.4	155.7	156.0	156.3	156.6	156.9	157.2	157.5	157.8	158.1	158.4	158.7	159.0	159.3	159.6	159.9	160.2	160.5	160.8	161.1	161.4	161.7	162.0	162.3	162.6	162.9	163.2	163.5	163.8	164.1	164.4	164.7	165.0	165.3	165.6	165.9	166.2	166.5	166.8	167.1	167.4	167.7	168.0	168.3	168.6	168.9	169.2	169.5	169.8	170.1	170.4	170.7	171.0	171.3	171.6	171.9	172.2	172.5	172.8	173.1	173.4	173.7	174.0	174.3	174.6	174.9	175.2	175.5	175.8	176.1	176.4	176.7	177.0	177.3	177.6	177.9	178.2	178.5	178.8	179.1	179.4	179.7	180.0	180.3	180.6	180.9	181.2	181.5	181.8	182.1	182.4	182.7	183.0	183.3	183.6	183.9	184.2	184.5	184.8	185.1	185.4	185.7	186.0	186.3	186.6	186.9	187.2	187.5	187.8	188.1	188.4	188.7	189.0	189.3	189.6	189.9	190.2	190.5	190.8	191.1	191.4	191.7	192.0	192.3	192.6	192.9	193.2	193.5	193.8	194.1	194.4	194.7	195.0	195.3	195.6	195.9	196.2	196.5	196.8	197.1	197.4	197.7	198.0	198.3	198.6	198.9	199.2	199.5	199.8	200.1	200.4	200.7	201.0	201.3	201.6	201.9	202.2	202.5	202.8	203.1	203.4	203.7	204.0	204.3	204.6	204.9	205.2	205.5	205.8	206.1	206.4	206.7	207.0	207.3	207.6	207.9	208.2	208.5	208.8	209.1	209.4	209.7	210.0	210.3	210.6	210.9	211.2	211.5	211.8	212.1	212.4	212.7	213.0	213.3	213.6	213.9	214.2	214.5	214.8	215.1	215.4	215.7	216.0	216.3	216.6	216.9	217.2	217.5	217.8	218.1	218.4	218.7	219.0	219.3	219.6	219.9	220.2	220.5	220.8	221.1	221.4	221.7	222.0	222.3	222.6	222.9	223.2	223.5	223.8	224.1	224.4	224.7	225.0	225.3	225.6	225.9	226.2	226.5	226.8	227.1	227.4	227.7	228.0	228.3	228.6	228.9	229.2	229.5	229.8	230.1	230.4	230.7	231.0	231.3	231.6	231.9	232.2	232.5	232.8	233.1	233.4	233.7	234.0	234.3	234.6	234.9	235.2	235.5	235.8	236.1	236.4	236.7	237.0	237.3	237.6	237.9	238.2	238.5	238.8	239.1	239.4	239.7	240.0	240.3	240.6	240.9	241.2	241.5	241.8	242.1	242.4	242.7	243.0	243.3	243.6	243.9	244.2	244.5	244.8	245.1	245.4	245.7	246.0	246.3	246.6	246.9	247.2	247.5	247.8	248.1	248.4	248.7	249.0	249.3	249.6	249.9	250.2	250.5	250.8	251.1	251.4	251.7	252.0	252.3	252.6	252.9	253.2	253.5	253.8	254.1	254.4	254.7	255.0	255.3	255.6	255.9	256.2	256.5	256.8	257.1	257.4	257.7	258.0	258.3	258.6	258.9	259.2	259.5	259.8	260.1	260.4	260.7	261.0	261.3	261.6	261.9	262.2	262.5	262.8	263.1	263.4	263.7	264.0	264.3	264.6	264.9	265.2	265.5	265.8	266.1	266.4	266.7	267.0	267.3	267.6	267.9	268.2	268.5	268.8	269.1	269.4	269.7	270.0	270.3	270.6	270.9	271.2	271.5	271.8	272.1	272.4	272.7	273.0	273.3	273.6	273.9	274.2	274.5	274.8	275.1	275.4	275.7	276.0	276.3	276.6	276.9	277.2	277.5	277.8	278.1	278.4	278.7	279.0	279.3	279.6	279.9	280.2	280.5	280.8	281.1	281.4	281.7	282.0	282.3	282.6	282.9	283.2	283.5	283.8	284.1	284.4	284.7	285.0	285.3	285.6	285.9	286.2	286.5	286.8	287.1	287.4	287.7	288.0	288.3	288.6	288.9	289.2	289.5	289.8	290.1	290.4	290.7	291.0	291.3	291.6	291.9	292.2	292.5	292.8	293.1	293.4	293.7	294.0	294.3	294.6	294.9	295.2	295.5	295.8	296.1	296.4	296.7	297.0	297.3	297.6	297.9	298.2	298.5	298.8	299.1	299.4	299.7	300.0	300.3	300.6	300.9	301.2	301.5	301.8	302.1	302.4	302.7	303.0	303.3	303.6	303.9	304.2	304.5	304.8	305.1	305.4	305.7	306.0	306.3	306.6	306.9	307.2	307.5	307.8	308.1	308.4	308.7	309.0	309.3	309.6	309.9	310.2	310.5	310.8	311.1	311.4	311.7	312.0	312.3	312.6	312.9	313.2	313.5	313.8	314.1	314.4	314.7	315.0	315.3	315.6	315.9	316.2	316.5	316.8	317.1	317.4	317.7	318.0	318.3	318.6	318.9	319.2	319.5	319.8	320.1	320.4	320.7	321.0	321.3	321.6	321.9	322.2	322.5	322.8	323.1	323.4	323.7	324.0	324.3	324.6	324.9	325.2	325.5	325.8	326.1	326.4	326.7	327.0	327.3	327.6	327.9	328.2	328.5	328.8	329.1	329.4	329.7	330.0	330.3	330.6	330.9	331.2	331.5	331.8	332.1	332.4	332.7	333.0	333.3	333.6	333.9	334.2	334.5	334.8	335.1	335.4	335.7	336.0	336.3	336.6	336.9	337.2	337.5	337.8	338.1	338.4	338.7	339.0	339.3	339.6	339.9	340.2	340.5	340.8	341.1	341.4	341.7	342.0	342.3	342.6	342.9	343.2	343.5	343.8	344.1	344.4	344.7	345.0	345.3	345.6	345.9	346.2	346.5	346.8	347.1	347.4	347.7	348.0	348.3	348.6	348.9	349.2	349.5	349.8	350.1	350.4	350.7	351.0	351.3	351.6	351.9	352.2	352.5	352.8	353.1	353.4	353.7	354.0	354.3	354.6	354.9	355.2	355.5	355.8	356.1	356.4	356.7	357.0	357.3	357.6	357.9	358.2	358.5	358.8	359.1	359.4	359.7	360.0	360.3	360.6	360.9	361.2	361.5	361.8	362.1	362.4	362.7	363.0	363.3	363.6	363.9	364.2	364.5	364.8	365.1	365.4	365.7	366.0	366.3	366.6	366.9	367.2	367.5	367.8	368.1	368.4	368.7	369.0	369.3	369.6	369.9	370.2	370.5	370.8	371.1	371.4	371.7	372.0	372.3	372.6

Asia's financial crisis: □ High-flying Malaysia takes another tumble □ Side-effects hit Hong Kong, Australia and Singapore

Markets point downhill across region

By Our Foreign Staff

Asian currencies and share prices are expected to keep falling until it becomes clear that Thailand's financial crisis is manageable and Malaysia is tackling structural weaknesses in its economy.

But in Kuala Lumpur yesterday there were signs of further disarray in Malaysia's financial policy only when Malaysian officials said Anwar Ibrahim, deputy prime minister and finance minister, was not at a key meeting on Wednesday to announce that pension funds would pour "billions of ringgit" into the stock market. The officials said that Mahathir Mohamad, the prime minister, had almost single-handedly taken over economic policy.

Elsewhere a general loss of confidence in the region was a key factor in the decline. The Singapore stock market's main index slumped 6 per cent before bargain hunting helped it recover. It ended 2.22 per cent down at 1,905 points.

In Indonesia, the rupiah recovered to 2,920 against the US dollar after falling to an historic low of 3,070 in early trade. Jakarta's stock index ended 5.86 per cent lower at 493.69 points, a record one-day fall.

The Philippine peso ended weak at 30.29 to the US dollar against its previous close at 30.07.

Meanwhile, in Tokyo the dollar surged above ¥119, the stock market slid 1.2 per cent and the yield on the benchmark 10-year bond hit a record low. In addition, concerns about the domestic economy were reinforced by publication of poor July data for industrial output, employment and housing starts. Japanese government bonds have been on a bull run for nearly three months, but yesterday's course of the benchmark bond to its lowest yield ever of 1.985 per cent was partly driven by regional factors, said William Campbell, fixed-income analyst at J.P. Morgan Securities.

"Asian turmoil doesn't bode well for Japan's large manufacturers, as this region absorbs roughly 40 per cent of exports - and we've already seen Toyota announce on Thursday that its Thai sales could fall by as much as 30 per cent," Currencies, Page 9; World Stock Markets, Page 21.

Malaysia's credibility takes a battering

By James Kynge in Kuala Lumpur

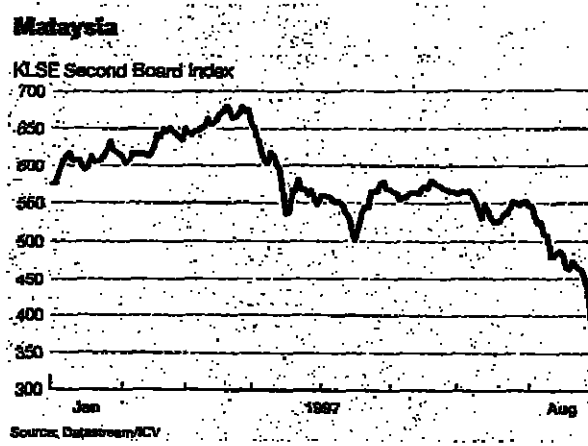
"As far as buying this market is concerned, we have basically shut up shop," said one fund manager in Kuala Lumpur yesterday. "We are just looking for opportunities to sell."

His remark was typical of the frustration felt by foreign brokers and fund managers who have spent the last two days trying to placate clients over heavy losses on Malaysia's stock market.

A snap decision to ban short-selling, effective from Wednesday, has rendered an important hedging tool unusable and created barriers to many investors trying to flee the market.

(Short selling is selling a share you do not own and whose value you expect to fall, in order to buy it back later more cheaply.)

"Malaysia stocks used to trade at a premium because there was confidence in the institutions: the central bank, the securities commission, the stock exchange," said a senior foreign broker, who also declined to be named. "But now their credi-



bility has suffered the kind of damage that will take years to repair," he added.

Malaysia's assurances over the past few years that it will progressively liberalise its financial markets had led investors to believe that they were safe from underhanded bouts of regulatory revisionism.

Faith has, however, been so shaken that many economists even reacted with scepticism yesterday to economic growth figures released by the central bank, Bank Negara.

The bank said that growth was an annual 8.4 per cent in

the second quarter of this year. It also revised upward the growth rate in the first quarter to 8.5 per cent, from an earlier reported 8.2 per cent.

"Frankly, these figures look a little high. It might be an attempt to compensate for the growth slowdown expected in the second half," said an economist in Singapore.

Financial commentators in Malaysia have long been unwilling to be quoted by name if their remarks are negative, for fear that authorities will somehow penalise their businesses.

This sensitivity has heightened over the past two days, with several brokerage houses reporting fresh warnings from officials.

Banks are also being lent upon, two bankers said yesterday. Authorities have asked some local banks to desist from calling in their margin loans to stock market investors, even when collateral limits have been exceeded.

(Many investors buy shares "on margin", putting up only a small part of their value and borrowing the rest, with the shares themselves serving as collateral.)

It was not clear if the government pressure was having an effect.

Forced selling of stocks to meet margin loan calls has been ferocious over the past few days, and remained significant yesterday, brokers said. There are no reliable figures on how much cash has been borrowed on margin to buy stocks, but bankers said that the amount was "very large".

Stocks are also regularly used as collateral for new loans, with investors borrowing up to 60 per cent of the value of the

shares they hold. Often, shares are bought with loans collateralised by shares.

If selling to pay back such borrowings continues, it could have repercussions in the form of corporate failures, analysts said, because many companies have large shareholdings in one another and they also use stock to back loans.

The most vulnerable companies are believed to be those listed on the second board of the Kuala Lumpur Stock Exchange, which has declined 45 per cent from its peak this year in March. The average gearing - the relationship of debt to equity - of second board companies is 195 per cent - massively overborrowed by universal standards, official figures show.

The situation is more worrying when set in the context of many companies' heavy indebtedness, especially those on the second board. For example, Simbah Resources, the country's third largest poultry feed maker, has a gearing of about 830 per cent. Global Carriers, a transport company, has a gearing of nearly 600 per

cent. The list is extensive.

Rajeev Malik, senior economist for Jardine Fleming Research in Singapore, said the Malaysian government's insistence on promoting growth above all was "dangerous". He said it would be preferable to cut imports sharply, thereby helping to address a large trade deficit, which is at the root of the ringgit's weakness.

He also said the central bank should allow interest rates to rise in order to help protect the ringgit against further depreciation, even if this strategy has the effect of slowing down growth.

"Bank Negara is in a fix. The currency is very vulnerable, and if the central bank does not raise interest rates to check the currency's slide, Malaysia will have to be content with high inflation and a deterioration of the balance of payments," Mr Malik said. "If it raises rates, Bank Negara will have to settle for slower economic growth."

It will not be easy, however, for Mahathir Mohamad, the prime minister, to abandon the philosophy which has helped propel his country to nine years of growth at above 8 per cent.

Sydney suffers too, to dealers' surprise

Australia became embroiled in Asia's financial turmoil yesterday, with international investors dumping local blue chip stocks and slicing more than half a cent off the Australian dollar. Reuters reports from Sydney.

The share market's All Ordinaries Index ended 38.3 points lower at 2,593.0 but spent much of the afternoon session nearly twice as weak, as traders glumly watched bourses in Jakarta, Bangkok, Tokyo and Manila. Late bargain-hunting took the local market off its lows.

Already struggling from talk of another interest rate cut, the Australian dollar also felt the full force of the Asian malaise. It ended nearly 70 basis points lower at 73.42 US cents as the local currency crashed through a number of key support levels and at one stage in early afternoon trade hit a low of 73.30 US cents.

"The bears have found plenty of excuses to sell this week," said Steve Shuster, the head of foreign exchange at Citibank Australia. "If we get more bad news next week, we could see a critical break lower," he said.

The extent of the slump in local shares and the currency surprised dealers and investors, who usually take their cue from Wall Street, ignoring Asia's fortunes in their daily trading decisions.

But the determination of some international fund managers to recoup losses from any market that remained liquid, along with a new-found perception that Australia is part of the Asian economic grouping, meant it was no longer free of the region's financial downturn, which began with currency worries in May.

The crisis has forced a number of Asian governments to raise rates in an attempt to provide a floor for their ailing currencies, raising questions about economic growth.

The head of an institutional dealing desk at a European-owned broker said US mutual funds were looking to sell any stocks in the region, including Australia and New Zealand.

"If Asia melts down, the feeling is that people who want to sell Asia won't be able to and they will turn their sights on our market instead," he said.

"We are linked economically to Asia and in a perverse way today we are seen as Asia ex-Japan."

Hong Kong engulfed by Asia's turmoil

Hang Seng stocks index falls 8 per cent on the week

By John Hidding in Hong Kong

Hong Kong's high-flying stock market was finally ensnared this week in the regional economic turmoil which has rocked neighbouring economies.

Yesterday's 5 per cent fall took the week's decline in the blue chip Hang Seng index to more than 8 per cent, despite a consensus among economists and government officials that the territory's economy remains robust.

"We are seeing the withdrawal of institutional funds from regional equities, and Hong Kong is being hit," said Pauline Gately, regional strategist at BZW Asia.

"Hong Kong still has some of the strongest fundamentals, but we are looking at a period of volatility and the risk of overshooting downwards."

Traders said international fund managers were withdrawing funds from Hong

Kong to cover losses in other markets or because they were pulling out of Asia. "If you are a forced seller because of redemptions, there is only one regional market you can sell in terms of performance and liquidity," said James O'Brien, director of sales at ING Barings.

Sentiment was also soured by jitters over the Hong Kong dollar, the last Asian currency to be pegged to the US dollar, and fears that interest rates would be forced higher by the outflow of funds. Banking and property shares, which are most exposed to higher interest rates, fell sharply. HSBC fell HK\$12.00 to HK\$236.00, while Cheung Kong, Li Ka-shing's property flagship, fell by HK\$3.25 to HK\$92.00.

UK companies with a significant presence in Hong Kong were also hit on the London market, with Standard Chartered Bank falling 47 pence to £8.26, further compounding Thursday's 103 pence fall.



The Asian malaise brought despair to a Manila stock trader fielding the phones yesterday as Philippine shares fell 2.4 per cent to a four-year low, after a 9.28 per cent fall on Thursday

Despite concerns about the Hong Kong dollar, Andrew Fung, head of capital markets at the Commonwealth Bank of Australia, said that he saw no sign of speculative activity and that interest rates eased from morning highs.

Overnight rates slipped back towards 7 per cent, having started the day at almost 10 per cent.

After the market closed, the Hong Kong Association of Banks said it had decided

against increasing deposit rates. Christopher Langley, general manager of Hongkong Bank, described the turbulence of the past few days as a short-term phenomenon and said the economy remained strong. Meanwhile, the Hong Kong Monetary Authority said foreign exchange reserves totalled US\$81.7bn at the end of July, down from US\$82.9bn at the end of June.

Fund managers described

this week's stock market falls as a correction rather than a crash. "There is no panic," said Patrick Wong, investment director at Jardine Fleming Unit Trusts. "There is confidence in the currency and in the economic fundamentals."

Several investment analysts noted that China-linked shares were relatively unaffected by the market plunge. H-shares, the Hong Kong listings of mainland state-owned enterprises, and red

chips, Hong Kong arms of mainland businesses, have dominated trading in recent weeks and continued to find investor support. The H-share index was down 37.50 points at 1,482.27, while the red chip index fell 38.77 to 3,960.25.

"We are still seeing interest in China-backed shares from retail investors," said one trader. "There is not the same institutional pressure that you see with the blue chips."

Singapore's 'outspoken' PM appeals to Japan over China

By Gwen Robinson in Tokyo

Goh Chok Tong, Singapore's prime minister, yesterday urged Japan to soften its stance towards China in their dispute over Tokyo's intention to play a more active military role in the region.

In remarks that were described by political observers as "strikingly outspoken", Mr Goh told Ryutaro Hashimoto, Japan's prime minister, that Japan should pursue a policy of "constructive engagement, rather than that of containment" in dealing with China.

In a separate meeting with members of Mr Hashimoto's administration, Mr Goh warned that Japan's plan to support US forces in regional conflicts could have "grave consequences" for Sino-Japanese relations if Tokyo refused to exclude Taiwan

from areas which might require emergency intervention by US forces.

Mr Goh's comments follow protests from China over an ongoing review of US-Japan defence co-operation. The review will be finalised at the end of September, and is expected to detail forms of logistical and other non-combatant support that Japan will provide for US forces in the event of conflict "in areas surrounding Japan".

China, which regards Taiwan as a renegade province, has asked Japan to exclude the island, and lashed out earlier this month at a Japanese government spokesman who said the Taiwan Strait would be "naturally" included in areas of potential crisis. Beijing has claimed the right to use force should Taiwan abandon its official goal of eventual reunification and declare independence, or if "foreign forces" interfere.

Li Peng, China's prime minister, last week said Tokyo's refusal to rule out Taiwan as a potential crisis area was "utterly unacceptable" and could damage bilateral relations.

The dispute comes ahead of Mr Hashimoto's visit to Beijing next week to commemorate the 25th anniversary of Sino-Japanese relations. During his visit Mr Hashimoto will stress bilateral security ties with China. He would explain all aspects of the US-Japan review of defence co-operation, but would not compromise on the Taiwan issue, senior Japanese officials said.

Beijing had already been informed there was "no possibility" of compromise on

the Taiwan issue, they said. "The Chinese know there will be no backing down on our part and they accept it. This is not a geographical concept, it's all about the gravity of a given situation - no matter where in the region - and the threat it represents to national security."

"We all know, for example, that the Korean peninsula is a potential flashpoint, but we can't say that specifically," said an official.

Mr Goh's remarks are likely to fuel the dispute, though, particularly as Singapore is a leading member of the Association of South East Asian Nations (Asean).

China has embarked on a campaign to improve ties with Asean countries, and recently offered to help tackle the regional currency crisis.

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Another Kennedy drops the baton

By Victoria Griffith in Boston

The once formidable Kennedy political dynasty has suffered a major blow with the abrupt withdrawal of Representative Joe Kennedy from the race for governor of Massachusetts.

The announcement late on Thursday seemed an admission of defeat for Mr Kennedy, who has been battling image troubles for much of the year. As the eldest son of the late Robert Kennedy, Joe once seemed a rising star on the national political scene. Yet his political good fortune began to melt away earlier this year when his ex-wife, Sheila Rauch Kennedy, published a book attacking him.

Public opinion sided with Ms Rauch Kennedy, who condemned her former husband's request for an annulment of their 12-year

marriage. The annulment, granted in 1991, makes their two sons illegitimate in the eyes of the church. Mr Kennedy, a Catholic like the rest of his family, wanted the annulment to marry his former secretary and receive formal sacraments within the church.

Even this turn of events seemed unlikely to destroy Mr Kennedy's political future in Massachusetts, where no Kennedy has ever lost an election. His main foe, the former governor William Weld, stepped off the state's political stage earlier this month to fight an apparently losing battle for the ambassadorship of Mexico, leaving the coast clear for Mr Kennedy.

Yet the scandals kept coming. Mr Kennedy's brother Michael became embroiled in allegations that he had an affair with his

children's baby-sitter, and reporters accused Joe Kennedy of trying to suppress the story. The final straw for Massachusetts voters may have been a fireworks accident over the July 4 weekend that left one of Mr Kennedy's sons badly burned. Mr Kennedy was illegally lighting the fireworks on the family's compound in Cape Cod.

The famous stick-together attitude of the clan has begun to unravel in the face of so much scandal. John Kennedy, the son of the former president, ran an editorial letter in his magazine *George* a few weeks ago that called Michael and Joe "poster boys for bad behaviour". Just before Joe Kennedy's exit from the Massachusetts race, polls showed him losing to his Republican rival.

But he will not be quitting poli-

tics completely. He will try again for his seat in the House of Representatives, which he has occupied for a decade, and for which he normally stands unopposed. He may also try to stage a comeback further down the road. Yet the famed world of Camelot - the word the late President Kennedy used to describe his family's political reign - is looking increasingly faded.

Past troubles are coming back to haunt the Kennedys. A number of books have been published in recent years attacking the family, dredging up details of the assassinated president's alleged affair with the late actress, Marilyn Monroe, and ties to the Mafia crime clan. In one of the most popular biographies, *A Question of Character*, the author Thomas Reeves argues that the Kennedy men have an unnatural sense of

entitlement which leads them morally astray, particularly with the women in their lives.

Partly because of negative fallout from such publications, Ted Kennedy, Joe's uncle, had a close political call himself three years ago when he nearly lost his seat as Senator of Massachusetts. Mr Kennedy had brooked his own share of scandal in the 1970s, when his car toppled off a bridge on the Massachusetts island of Chappaquiddick, killing his female companion. While Ted managed to re-establish himself in Massachusetts, his chances for the presidency were wrecked.

Joe's exit from the race for governor has left a void in Massachusetts politics. A state that once supplied presidential candidates on a regular basis, Massachusetts now has no untainted politicians of national stature.

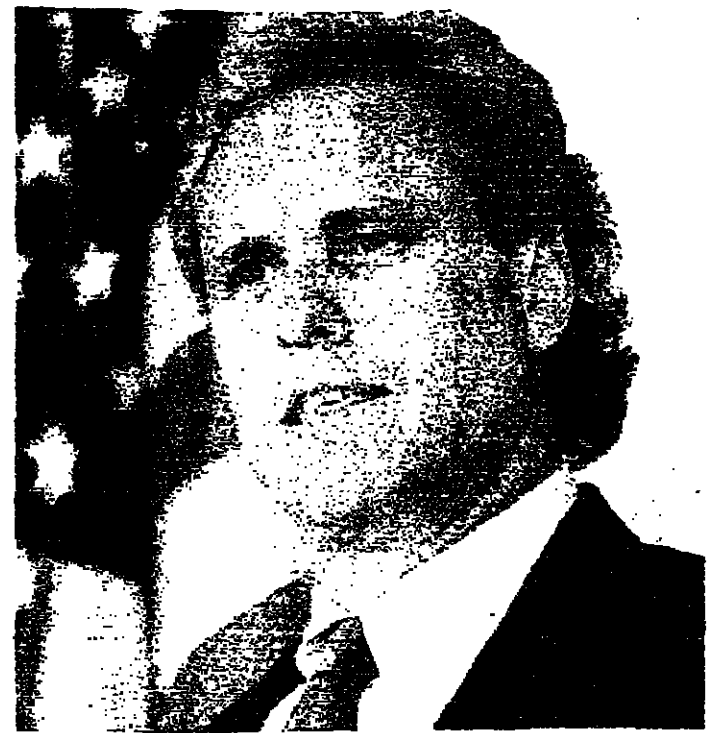


Image troubles: one-time rising star Joe Kennedy has lost his shine

Kenya pledges graft crackdown

By Michael Holman and Michaela Wrong in Nairobi

Kenya yesterday announced an unprecedented anti-corruption package designed to secure resumption of loans from the International Monetary Fund and the World Bank.

But government hopes of an early resumption of funding were dashed when IMF officials said renewed assistance depended on implementation of the promises.

They said none of the seven loan programmes, which began on July 31 over the issue of corruption, would be released before the end of the year at the earliest. Facing Daniel arap Moi, the president, facing elections in the midst of Kenya's most serious economic crisis since indepen-

dence.

In yesterday's statement, which amounts to a frank admission of the graft dogging Mr Moi's administration, the government acknowledged the need to ensure "accountability and transparency in the management of public finances," and pledged to "strengthen management of the energy sector" and ensure the Kenya Revenue Authority "operates efficiently."

Specific measures include the creation of an anti-corruption authority, establishment of an autonomous regulatory board for the energy sector and renegotiation of two power contracts whose tender procedures have been challenged by the World Bank.

The statement also promised to recover "taxes due on all imports, including sugar imports", implicit recognition of IMF concern about corruption at Mombasa port.

Although Mr Moi made personal assurances about his commitment to a crackdown on corruption in the course of two meetings with a visiting IMF delegation, officials stressed that the president would have to deliver on promises before any funds were released.

"If these measures are not undertaken, we will not move ahead. If they are undertaken, we will move ahead," Goodall Gondwe, deputy head of the IMF's Africa Department, said. "It is left to the government to decide how fast they do these things."

The IMF's emphasis on concrete action reflected its new focus on good governance.

The government statement also addressed the notorious Goldenberg scandal of the early 1990s, in which Kenya lost up to \$400m as a result of a series of financial scams which are believed to have involved top government officials and leading politicians.

Although it did not refer to the matter by name, the statement acknowledged "financial mismanagement in the past" and said that the government "is committed to ensuring that the legal and administrative process is adhered to in order to establish accountability".

The government gave no timetable for its anti-graft

programme, saying only that it planned to implement the package "as soon as possible". But the IMF's refusal to release immediate funds will come as a blow to players on Kenya's jittery financial markets.

After the collapse of negotiations over the IMF's loan agreement, the shilling fell from 55 to 71.50 to the dollar and the government was forced to cut spending and raise taxes. News that the IMF mission was in town had triggered a brief rally in the value of the shilling.

The determined stance of the IMF and World Bank is bound to be exploited by Kenya's opposition, already making capital out of the government's failure to halt violence on the coast which has claimed at least 47 lives.

Where business must cheat to survive

Choking bureaucracy makes Tanzania one of the most difficult countries in Africa to do business, and long delays and corruption are common, according to a US-funded report, Reuters reports from Dar es Salaam.

The 126-page report, commissioned by the US Agency for International Development and prepared by the international accounting firm Coopers and Lybrand, gives a bleak picture of Tanzania for investors.

"The Investor Roadmap to Tanzania" was completed in July at the request of the government-run Investment Promotion Centre. "Of the four countries where the Roadmap exercise has been undertaken, Tanzania is the most difficult in which to establish a business. We estimate that the average delay to commence operations in Tanzania is 18-36 months," the report said.

"This compares to the 6-12 months in Namibia and 12-24 month delays in Ghana and Uganda," it said. Business managers said Tanzania's 1997-98 budget sought to

address some of the problems in the report, but its conclusions remained valid.

Tanzania is one of the world's poorest countries, despite having an unspoiled 800km (500 mile) Indian Ocean coastline, an abundance of natural resources and tracts of fertile land. It has received widespread praise for economic reforms started in 1986 under pressure from international aid donors.

Taxes in Tanzania are so numerous and complex that businesses are commonly forced to resort to illegal action. "Officials at one prominent business organisation estimate that 80 per cent of all businesses must cheat to survive. The combination of the ambiguous environment and high taxes creates a booby trap for corruption," the report warned.

Bureaucracy and regulations, many irrelevant, made it all but impossible for small-scale businesses to operate legally. Bureaucratic restraints started with an application to set up a business, it said.

"Offices for many of the agencies are hard to find, particularly for foreign investors; non-functioning lifts sometimes require investors to climb several flights of stairs."

"Frequently, there is only one official qualified or designated to deal with business start-up issues; this person is often out or on safari. Even when appointments have been pre-arranged government officials commonly do not appear for meetings."

The biggest problem faced by investors is obtaining land because, unlike many other countries, Tanzania offers no industrial estates where buildings and utilities are available.

All industrial-zoned land around the capital, Dar es Salaam, requires negotiations with villagers, even after government approval, which adds up to four to six months in delays.

Delays in obtaining utility connections, especially for telephones, are generally linked to the willingness of an investor to pay bribes, it said.

Sudan's regime finds itself short of friends

Mark Huband reports on a new strategy by Khartoum's anxious Islamic leaders

Sudan's military Islamic regime, at odds with its neighbours and the west, is trying to repair relations in the hope of heading off internal threats to its ruling alliance of Islamists and army officers and restoring ties with international donor institutions.

"We hope that by 1998 or 1999 we will find ourselves sitting with the donors," said Abdalla Hassan Ahmed, central bank governor. Recently he negotiated a stabilisation programme with the International Monetary Fund. This will prevent an increase in arrears on interest payments to the IMF, to which Sudan owes \$1.8bn.

Signs of a new Sudanese strategy to repair foreign ties emerged in June when a Sudanese minister visited Kuwait, the first such visit since 1990.

Before the 1991 Gulf war, Sudan was getting \$900m a year in project assistance from foreign donors. Since it objected to the US-led intervention to oust Iraq from Kuwait, it has received a mere \$50m a year, from United Nations agencies and the African Development Bank.

But beyond staying in power, the long-term sins of Sudan's ruling National Islamic Front (NIF) remain unclear. This is most apparent in the NIF's foreign policy.

"At the beginning the government hoped for influence in regional politics. After that they became arrogant, and then they realised after a very short time that this influence was beyond their capacity," said Al-Tayib Zain Al-Abidin, a former close confidant of Hassan El-Tourabi, leader of the NIF.

"In fact they weren't helping foreign [Islamic] groups," said Mr Al-Tayib, a professor of political science at Khartoum university. "In fact, do they have an influence over other Islamic movements? I think not. It's nonsense."

Accusations of Sudanese meddling abroad have left the government isolated. In July the Eritrean president, Isaias Aferwerki, said Sudan had despatched a death

squad to assassinate him last November. Sudan denies the claim.

"The challenge now is the neighbourhood, to the east, the south and to the north," said Mr El-Tourabi, the architect of Sudan's Islamisation policy. "It's obvious that some international forces are seeking to undermine the Sudan."

Mr El-Tourabi has stated that Khartoum's war against southern rebels was a *jihad*, or holy war, against the non-Moslem south. Now it has in effect lost the war by agreeing to southern demands for self-determination.

But African states - as well as the US - have viewed Khartoum's aims as being to install political

pendent state in southern Sudan.

Both these concerns now seem irrelevant.

The likelihood of southern secession has receded, with growing calls instead for federation coupled with guarantees of political and religious freedom. On April 21 a peace agreement was signed by the government and several southern rebel groups, which recognised southern Sudan's right to self-determination.

"The problem with Egypt isn't the water," said Arok Thon Arok, one of the six southern co-signatories to the April 21 agreement.

"Over the years Egypt has always treated Sudan as a younger brother. It appears now that their younger brother would like to decide for himself."

Egypt last year reversed a long-standing policy by giving tacit support to an Eritrea-based alliance of Sudanese northerners and southerners - the National Democratic Alliance (NDA) - committed to overthrowing the Khartoum government. The switch in policy was a security measure, stemming from its accusation of Sudan's involvement in the attempted assassination of Hosni Mubarak, the Egyptian president, in 1995.

With support from Ethiopia and Uganda, the NDA groups John Garang's SPLA with Sadiq El-Mahdi, the former prime minister, as well as senior northern army officers who have deserted the regime.

The US has also provided at least \$30m in military aid to Uganda, Eritrea and Ethiopia. Nelson Mandela, the South African president, is now spearheading attempts to bring the SPLA and the government to the negotiating table.

Sudan's alleged role in the assassination attempt on Mr Mubarak led to an inquiry, centring on one Egyptian suspect known to have left Ethiopia for Khartoum immediately after the attack.

"It was so obvious that the thing was intended to implicate Sudan," said Abdullah Ibrahim El-Khalifa, Sudan's chief prosecutor, who led the Sudanese inquiry.



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FINANCIAL TIMES

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دكتور من النحل

Conditions state that equipment must be restricted to protecting oil and gas fields

Arms sales to Indonesia to be approved

By Jimmy Burns in London and David Buchanan in Jakarta

The UK government will soon approve a range of defence equipment contracts with Indonesia. But approval will be made on the understanding that the equipment will be used to protect the country's oil and gas industry, principally the giant Natuna gas field in the South China sea.

Officials believe that it will be possible to defend further sales to Indonesia in spite of continuing allegations from human rights groups that UK defence equipment has been used by the Jakarta regime to suppress political opposition.

Officials have been struggling for weeks to reconcile the UK government's adoption of a so-called "ethical" foreign policy with the need to protect the country's defence industry and other commercial interests in Indonesia.

The Indonesian arms market was recently decided not to block. The Natuna gas field, the biggest in Asia, is in an area disputed by China, but continues to attract heavy western and Asian investment.

Officials hope that approval of the defence contracts will help the interests of other sections of British industry which are bidding for billions of pounds worth of contracts linked to Natuna.

The UK is the second largest investor in Indonesia, and the biggest seller of defence equipment. UK exports to Indonesia have risen by 150 per cent over the past five years. Arms sales accounted for more than half the total.

Amec, the UK construction group which is bidding for big con-

tracts linked to Natuna, said last night: "Natuna represents one of the biggest investment opportunities in the world."

Following a meeting in Jakarta with his Indonesian counterpart Ali Alatas earlier yesterday, Robin Cook, the UK foreign secretary, said he wanted to maintain Britain's "defence relationship" with Indonesia, which has warned it will have no problem replacing from other sources any equipment refused by the UK.

Mr Cook, on the last stage of a four-country tour of south-east Asia, also announced a plan for improving human rights as part of a "positive partnership" with Jakarta.

The plan includes sending Indonesian students and members of

the country's Human Rights Commission to British universities for courses.

It will also involve supplying the commission's centre and Jakarta's Legal Aid Foundation with computers to build up databases. Moreover, there will be lectures by British police officers to their Indonesian counterparts on "modern policing methods".

Mr Cook also presented the HRC with books worth £2,000 for its library on good governance, minorities and participatory democracy. What had been billed as a confrontation between Mr Cook and Indonesia over local abuses of human rights in general and in Indonesian-annexed East Timor in particular ended in ambiguous accommodation.

Talk of talks masks private reservations

Some Northern Ireland politicians predict doom for the negotiations

John Taylor - deputy leader of the Ulster Unionist party, the biggest pro-British party in Northern Ireland - was telling friends last week that he had made plans to take a holiday in October.

Such is his assessment of the prospects for next month's resumed all-party talks on the constitutional future of the region.

Many Northern Ireland politicians are privately predicting that the talks will collapse. One reason is the lack of personal sympathy among the main participants.

Unionists cross swords with Sinn Féin, the political wing of the Irish Republican Army, every week in local government chambers across the region.

But without a move from the IRA on arms, the unionist leadership has deep reservations about negotiating with Sinn Féin. They fear such talks would legitimise the IRA gunmen.

If unionists do eventually agree to sit at the table with Sinn Féin, the expectation is that there will be more insults before the big political issues are addressed. Even then, there is likely to be a period of "proximity" arrangements in which the two sides do not sit face to face.

As for the two governments, they face their own problems. The British will have lost their most experienced team member with the retirement of Sir John Chilcot, head of the Northern Ireland civil service, expected later this year. The Irish are carrying a potential casualty in Mr Ray Burke, the foreign minister who has

been the subject of allegations about political donations.

At the launch of the talks in June last year, the media were kept outside, for fear that the Rev Ian Paisley, leader of the hardline anti-nationalist Democratic Unionist party, would stage a protest in the presence of the Irish prime minister.

It is not just the antipathy between unionists and Sinn Féin that could stymie progress. David Trimble, DUP leader, and John Hume, his counterpart in the moderate nationalist Social Democratic and Labour party, both have strong-willed, dogmatic and opinionated opponents in their own camps.

Mr Hume is not the political force he was. His exhausting international schedule as a member of the House of Commons and the European parliament has taken its toll. Much of the SDLP effort is likely to be led by Seamus Mallon, an old-fashioned nationalist with whom unionists feel comfortable. But Mr Hume still carries a moral authority in the nationalist community in Northern Ireland and on the wider international stage.

Mr Trimble's main problem is within the unionist camp. Many in his own party have already made their views clear. Willie Thompson, one of its MPs, has talked of his disgust at the prospect of his party sitting down at the "squalid" negotiating table. "No unionist can sit down with terrorists who still have guns at the table, under the table and outside the door," he said.

He also has to keep a wary

Uneasy steps to the conference table



Dec 15 1993: UK and Irish governments make Downing Street Joint Declaration, setting out constitutional safeguards
Sep 1 1994: IRA ceasefire, followed on October 14 by Loyalist ceasefire
Sep 16 1994: Broadcasting ban on Sinn Féin lifted
Dec 9 1994: First official meeting between government officials and Sinn Féin for 22 years
Jun 17 1995: Sinn Féin pulls out of talks with government
Nov 28 1995: International body on arms decommissioning established under US Senator George Mitchell
Jan 24 1996: International body proposes: principles for democracy, non-violence and an elective process
Feb 9 1996: IRA announces end of ceasefire; Canary Wharf bomb kills two, injures 100
May 30 1996: Sinn Féin wins 15 per cent of vote in Northern Ireland Forum elections
Jun 10 1996: Multi-party talks begin with Sinn Féin excluded
Jun 14 1996: Sinn Féin boycotts first meeting of forum
Mar 5 1997: Multi-party talks adjourned for general election

May 17 1997: Tony Blair announces resumption of contact between government officials and Sinn Féin
Jun 4 1997: Multi-party talks resume
Jun 11 1997: Government tells Sinn Féin it has one last chance to secure an IRA ceasefire
Jun 17 1997: Blair announces suspension of contacts with Sinn Féin after IRA shooting of two policemen
Jun 23 1997: Sinn Féin calls for renewal of official contacts as loyalist marching season begins
Jun 25 1997: British and Irish governments agree proposals for arms decommissioning talks to proceed in parallel with talks on constitutional settlement but threaten to pull out of multi-party talks over arms decommissioning arrangements
Jul 19 1997: IRA declares new ceasefire
Jul 24 1997: Main unionist parties reject arms decommissioning proposals
Aug 6 1997: Mo Mowlam holds first meeting with Sinn Féin leaders Gerry Adams and Martin McGuinness
Aug 29 1997: Government invites Sinn Féin to join multi-party talks due to start on September 15. Unionists warn further progress on arms decommissioning must be made before substantive talks

'No unionist can sit down with terrorists who have guns at the table and outside the door'

eye on Mr Paisley, who will present himself as the guardian of the union with Great Britain. Mr Trimble faces sniping from his parliamentary colleagues, none of whom supported him in the party leadership contest. Mr Taylor is said to be still sore at losing.

Mr Trimble, a shrewd lawyer, yesterday faces a broadside of invective

against Sinn Féin to please his own community, while carefully keeping open the possibility of being part of the talks.

He said the republican negotiators had "blood on their hands" adding that he found the idea of shaking hands with Gerry Adams, Sinn Féin president, "repulsive". "If he showed genuine repentance for the evil he has done, then maybe that would be a different matter," he said.

The IRA's refusal to surrender its arsenal, and the discovery this week of a republican bomb factory in the Republic of Ireland, were further signs that they were not serious about peace, he added.

But Mr Trimble is coming under fierce pressure from Downing Street and - more

significantly - from many in his own community to give the talks a chance. The talks could survive and be credible without Mr Paisley, but without Mr Trimble and his party they would fail.

Mr Trimble has left himself room for manoeuvre by embarking on a comprehensive consultation exercise with his own party, the business community and religious leaders, including those from the Roman Catholic church.

He insists that no decision will be taken until his consultation is complete. "We will ensure the unionist voice is heard effectively, one way or another," he said. "It will be heard; it will be heard."

John Murray Brown
George Parker

Welsh assembly may have business input

By Michael Peel in Cardiff

The government yesterday tried to allay business fears about its proposed Welsh assembly, saying it might allow business people to serve on the assembly's industrial and economic committees.

It said its manifesto for Welsh business, published yesterday, could serve as a model for future regional administrations.

The government last month issued proposals for a directly-elected Welsh assembly with limited powers to make policy. The promise to explore whether business could be directly involved in policy-making met a demand made this week by the Confederation of British Industry (CBI), the employers' lobby, in its response to the government proposals.

The CBI said an assembly was unnecessary and would add costs to business, although it would not campaign for a No vote in the September 18 referendum on the proposals.

Peter Hain, a minister for Wales, said yesterday's commitment built "structurally and procedurally" on Labour's previous efforts to accommodate business.

He said the Welsh economy was an ideal testing ground for the way regional assemblies should relate to business. "We are able to do this more easily in the Welsh Office because of the ease of access to key decision-makers and the small economic units involved," he said.

The increased involvement of business was welcomed by Professor Hywel Francis, co-ordinator of the Yes for Wales campaign. He said: "I think we should remind ourselves that although - I can't believe I am saying this - it's important to listen to the Welsh CBI, the parliament of the working people, the Trades Union Congress, was unanimously in favour of the assembly proposals."

The manifesto, launched at Cardiff's Epitaxial Products, a semiconductor manufacturer, said the Welsh assembly would make education and training "a number one priority". Drew Nelson, managing director of Epitaxial, said he would welcome the assembly if it addressed skill shortages which had badly affected his industry.

UK NEWS DIGEST

Investment gain heartens London

London First Centre, the capital's inward investment agency created in 1991, has claimed its 100th success with ICT Group. The Pennsylvania-based provider of call centre services for sales, marketing and customer care has recently been appointed the careline agency for Sony's Playstation in the UK. The company will locate in Harrow, north-west London. London First says it has drawn companies from 17 countries providing 4,000 jobs. Seventy per cent of completed projects have come from North America, with 14 companies choosing London as their European headquarters, including Samsung, South Korea's largest industrial conglomerate.

Sir Colin Marshall, the agency's chairman, said: "To achieve this milestone in less than three years' operation confirms the value of London First Centre to both the international investor and London's economy. It endorses the capital's worldwide reputation as the heart of European commerce and the launchpad for expansion into global markets."

Nicholas Timmins

EDUCATION

Private schools boost exam results

Independent schools have followed state schools in producing improved results in GCSE exams this year, provisional figures released yesterday by the Independent Schools Information Service show. GCSE exams are taken at the age of 16 and replace the old O-level. The figures show that 92 per cent of those entered achieved grades A*-C, an increase of 0.4 percentage points. The rise was the same percentage point increase seen in the state-supported sector where the proportion achieving A*-C grades was only 54.4 per cent.

At the top end, the improvement by the independent schools was even greater, with 45.2 per cent of entries being graded A or A*, a rise from 43.3 per cent last year. It compares with 14 per cent of entries achieving those grades in state schools.

Nicholas Timmins
Weekend FT, Page XIII

WATER SUPPLY

Restrictions possible next summer

Britain may face a return to water restrictions next summer unless there is plentiful winter rainfall to replenish underground water reserves that are at record low levels, the Environment Agency said yesterday.

It said the rainy weather this month could be misconstrued as a sign that all was now well with troubled English water supplies. The agency said continuing caution was particularly important in the south-east of England, which has suffered particularly hard from the droughts of the past couple of years.

The region, the most heavily populated in the UK, is far more dependent on groundwater for supplies than northern areas, which are supplied mainly by reservoirs. The south coast of England depends on groundwater for two-thirds of water supplies.

Editorial Comment, Page 6

AIR TRAFFIC

Third near-miss reported

A near-miss between two passenger jets - the third such case to be reported this week - was being investigated yesterday by the Civil Aviation Authority. It involved a Boeing 737 and a Boeing 757 under the direction of controllers at London Heathrow airport on Wednesday.

MONTSERRAT

Protest over 'colonial' attitude

Demonstrators yesterday called for more aid and a less "colonial" attitude from the UK towards the volcano-hit island of colony Montserrat. A dozen members of the Montserrat Support Committee waved placards and unfurled a banner outside the Foreign Office in London. One island-born campaigner said: "The attitude of the government is terrible and shocking. I remember as a child standing up in my school courtyard and singing Rule Britannia and God Save the Queen because I was told that Britain was the mother country. And then they treat us like this."

The demonstration came as the main town of Plymouth on the island lay beneath up to 2.5m of ash and superheated rock. The entire southern part of the island is sealed off.

Bernie Grant, an MP in Britain's governing Labour party, said in Antigua yesterday after visiting Montserrat: "The people of Montserrat feel that they have been double-crossed by the British. They had been discussing with local Foreign Office officials about the aid package and had reached tacit agreement about what was needed. But when the final offer came from London, it was totally different." Mr Grant is chairman of Britain's all-party parliamentary group on the Caribbean.

SCOTLAND

TUC demands 'fairness'

Unions yesterday set out what they expect of a Labour Government, and signs of impatience for Tony Blair to deliver the "fairness not favours" he promised.

Delegates at the Scottish TUC annual congress stopped short of overt criticism of the government, but dropped heavy hints that having helped secure a Labour victory they were now waiting for the government to address their concerns.

Open criticism was muted and little controversy was allowed to spill into resolutions for the two-day event, a resumption of a short conference truncated in April because of the general election campaign.

2,500 companies miss recycling deadline

By Leyla Boulton, Environment Correspondent

Up to half the UK companies covered by new packaging recycling regulations run the risk of heavy fines by missing a weekend deadline for complying with the legislation.

The Environment Agency said only 2,500 of an estimated 5,000 companies subject to the law had complied by telling it how they would carry out their recycling obligations.

The deadline for this is tomorrow.

The regulations, which implement a European Union environmental directive, aim to make companies which handle more than 50 tonnes of packaging a year recover or otherwise recycle half that waste by the year 2001. The legislation will ultimately affect around 9,000 UK companies with annual turnover of at least £1m (£1.8m).

Tomorrow's deadline, however, affects only companies

with turnover of at least £1m.

Companies can either set up their own recycling system - as 500 so far have chosen to do - or pay a collective scheme to recycle glass, plastic, paper and aluminium on their behalf.

But the agency, whose own official in charge of policing the regime, Jeff Cooper, is away on holiday until Tuesday, said it was unlikely to penalise companies that were a few days late. The agency was yesterday deluged with 100 last-minute forms. In addition, it had received 300 requests for registration documents this past week alone.

"We will deal with each [late-comer] on his own merits," the agency said. But it warned it would "come down hard on companies who willfully decide not to register".

Jonathan Dean, a waste strategy consultant for Coopers & Lybrand, said many companies harboured misplaced fears of the legisla-

tion. "Many of our clients have come to us in a panic about its likely costs and the need for new information technology," he said.

Mr Peter Jones of Biffa, the waste company which runs one of three collective compliance schemes approved by the agency, said it had contacted all the 5,000 companies it estimated were liable at this stage. "Half are doing something about this and the other half are living in blissful ignorance," he said.

Recent studies in the US have argued that measures such as the RPI can overstate the rate of inflation because it cannot easily measure changes in productivity and quality. The price of computers, for example, has barely changed, but their capacity has greatly increased.

Roger Bootle, chief economist at HSBC Markets in London and a leading author on inflation, said: "It is impossible to have an index that works perfectly. But by and large it does a good job."

Inflation index celebrates 50 years, but the party may be over

The Retail Price Index yesterday celebrated its 50th birthday as the UK's headline measure of inflation.

It is used by the government as the target measure for monetary policy. But if the UK eventually joins a single European currency, the RPI will become just one of a dozen or more inflation statistics to be considered by a future European central bank in Frankfurt.

For the time being, the RPI retains its ability to hold City of London analysts in thrall. "The City is interested in the RPI because it gives you some idea of what government policy may do next - and that is very important to some people," says Roger Alford, an economist at the London School of Economics.

The RPI was established by the Labour government in 1947, and represented an

Monetary union would mean obscurity for one of the barometers of British life, writes Richard Adams

Important shift in the relationship between the government and the economy.

Its predecessor was the Cost of Living Index for the Working Classes, a list of 14 items established in 1914. While the 1914 index was a crude attempt to measure the price of "essential" goods for the working class, the index that replaced it was much more sophisticated.

The compilers of the new index actually asked people what they bought and used the results of that survey to estimate the costs of running a typical household.

In 1947 the survey was still based around the working class, then defined as a household earning £250 a year or less.

The definition of working

class was abolished in 1956 and the index was redefined to include the majority of households. It excluded only the top 4 per cent - those with weekly incomes more than £1,000.

Over 50 years the index has painted a fascinating portrait of British life. The original basket of goods included items such as tram fares, unskinned rabbits, pig fat (for cooking) and candles; the only recreations listed were soccer and films; and corsets were included as working class women in 1947 were less likely to wear the new bra.

Fifty years on, the list of 80 items has swelled to 600. The RPI also shows how spending patterns have shifted with increasing

wealth. In 1947, spending on services took up only 8 per cent of consumer spending. Food was responsible for more than a third of working class household spending. Drink and tobacco accounted for 22 per cent of expenditure - remarkable considering the category consisted only of beer, whisky, cigarettes and pipe tobacco.

By 1997, smoking and drinking have sunk to just 11 per cent of average household spending - the two goods have also shown the biggest increases in cost.

A pint of beer cost the equivalent of £0.07 (11c) in 1947 - the same as a half-pound bar of chocolate. But 50 years later, the Office for

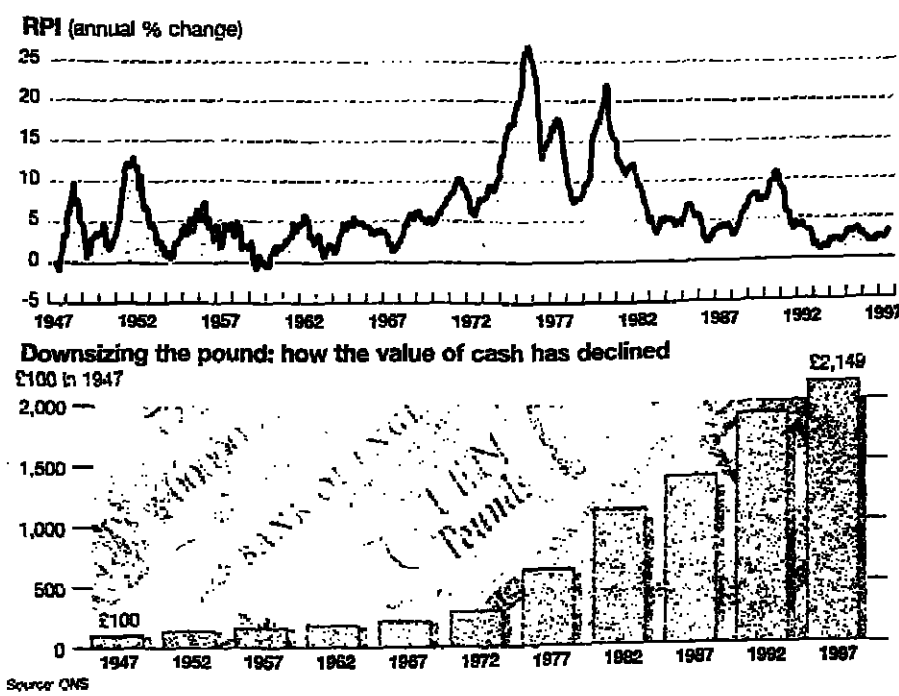
National Statistics says the average pint costs £1.65. The chocolate is now only half the price, at £0.79.

Opinions are still divided over whether measuring inflation is useful. The Bundesbank, Germany's central bank and the model for the future European bank, uses a broad measure of money supply as its target.

Recent studies in the US have argued that measures such as the RPI can overstate the rate of inflation because it cannot easily measure changes in productivity and quality. The price of computers, for example, has barely changed, but their capacity has greatly increased.

Roger Bootle, chief economist at HSBC Markets in London and a leading author on inflation, said: "It is impossible to have an index that works perfectly. But by and large it does a good job."

Half a century of peaks and troughs



FINANCIAL TIMES

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Saturday August 30 1997

Prophecy of the birds

The British magpie may know something which 300 climatologists meeting in Geneva this week were still arguing about. It now lays its eggs 17 days earlier than in 1971. Is the magpie adapting gradually as the earth's temperature rises - by about 1°C during the last 40 years? Or could it be preparing presciently for a much more catastrophic phase of global warming which the scientists' computer models now predict?

Unfortunately the birds disagree as much as the scientists. For the 20 species which have been studied recently the average laying date has been advanced by 8.8 days. But one bird, the stock dove, clearly takes an opposite view of the weather prospects: it is laying significantly later.

The distribution of scientific opinion follows the same pattern. A wide consensus, expressed in the reports of the Intergovernmental Panel on Climate Change, believes that average temperatures will rise by some 2°C by the end of the next century. According to some estimates, the change could be as much as 3.5°C. But there are a few - call them doves - who think that present computer predictions are all wrong and that the warming will be at a much gentler and more manageable pace.

It is important to know who is right. A 3°C to 4°C rise in average temperatures would cause major dislocations to the world economy and probably catastrophic flooding in some parts. If they believe such a scenario is likely, ministers from around the world meeting in Kyoto, Japan in December will be under strong pressure to take vigorous action which will bear upon every household in the industrial world. And there is no shortage of groups advising them to do so.

So those arguing for rapid

reductions in carbon dioxide emissions immediately, need to answer two tough questions. First, can we be certain about the science? And second, would it not be better to wait and (so to speak) put the money in the bank to deal with the effects of climatic changes as they occur?

All scientists admit that not enough is known. For example carbon dioxide emissions by themselves would result in only a moderate rise in temperature of perhaps 1°C by the end of the 21st century. More rapid global warming depends upon the effect of increased evaporation from the oceans. Most of this water vapour will come down again as rain, but some will move to the upper atmosphere and reinforce the "greenhouse" effect.

Warmest summer
The orthodox view is that this will significantly speed up the warming process. But some climatologists disagree. While scientists agree there will be great uncertainty about the costs, the best estimates are that a 2.5°C warming would lower the output of developed nations by 1.5 per cent to 2 per cent and by 5 per cent in developing countries. But those costs are quite a long way off. Moreover, the displacement to populations, for example by flooding, would be relatively gradual - not the single catastrophe sometimes portrayed.

Yet doing nothing hardly seems sensible, even to those who suspect that scientists and politicians are in danger of creating a bandwagon which both sides need to keep going - scientists for funding and politicians because it is an issue which enables them to look good on television.

Government ministers back from Europe's warmest summer for many decades need to be sceptical of calls for expensive restrictions. The developed economies respond to price signals better than policymakers sometimes think - as they did, for example, after the quadrupling of oil prices in the 1970s.

In the present case there are many market-based measures which could lower energy use at relatively little cost. Encouraging better insulation and other efficiency measures, for example, or getting rid of the \$200bn world subsidies for fossil fuels. Kyoto should not be the place for preventing Armageddon. It should rather be used to buy time until the scientists - and the birds - all sing in tune.

Asia's endangered tigers

Peter Montagnon wonders whether south-east Asia's 'miracle' economies are becoming trapped in a cycle of decline

What seemed to be just a little local difficulty when Thailand first devalued the baht on July 2, is fast becoming a problem of regional, even global, proportions.

A fresh bout of turmoil hit Asian currencies and shares this week leaving Malaysia's equity market 11 per cent down and that of Thailand 10 per cent. Indonesian shares fell 14 per cent and those of the Philippines 17 per cent. Even the Hong Kong market, which had seemed largely immune, fell 8 per cent.

The problem is spreading. Not only were Australian equities sucked into the downturn yesterday. Shares in both London and Wall Street were buffeted this week in the tailwinds of the Asian typhoon.

The severity of the market storm is now raising serious questions about government policies for long-term growth. While the beleaguered governments of south-east Asia ponder what must be done to calm their markets, and how long they have got to do it, global investors must ask how far Asia's troubles are going to spread.

Not long ago, Asian equities were the glamorous end of emerging markets. Now, some economists argue, the region's troubles may raise questions over emerging markets as a whole.

For the time being, there seems to be no end to the vicious spiral of declining currencies, weakening interest rates, weakening growth prospects and collapsing stock markets that has plagued the region this summer.

The strains in the financial system revealed by a region-wide property glut and a sharp deceleration of exports last year are now becoming acute. Tough action by governments may be needed to restore investor confidence, but whether it will come quickly seems doubtful.

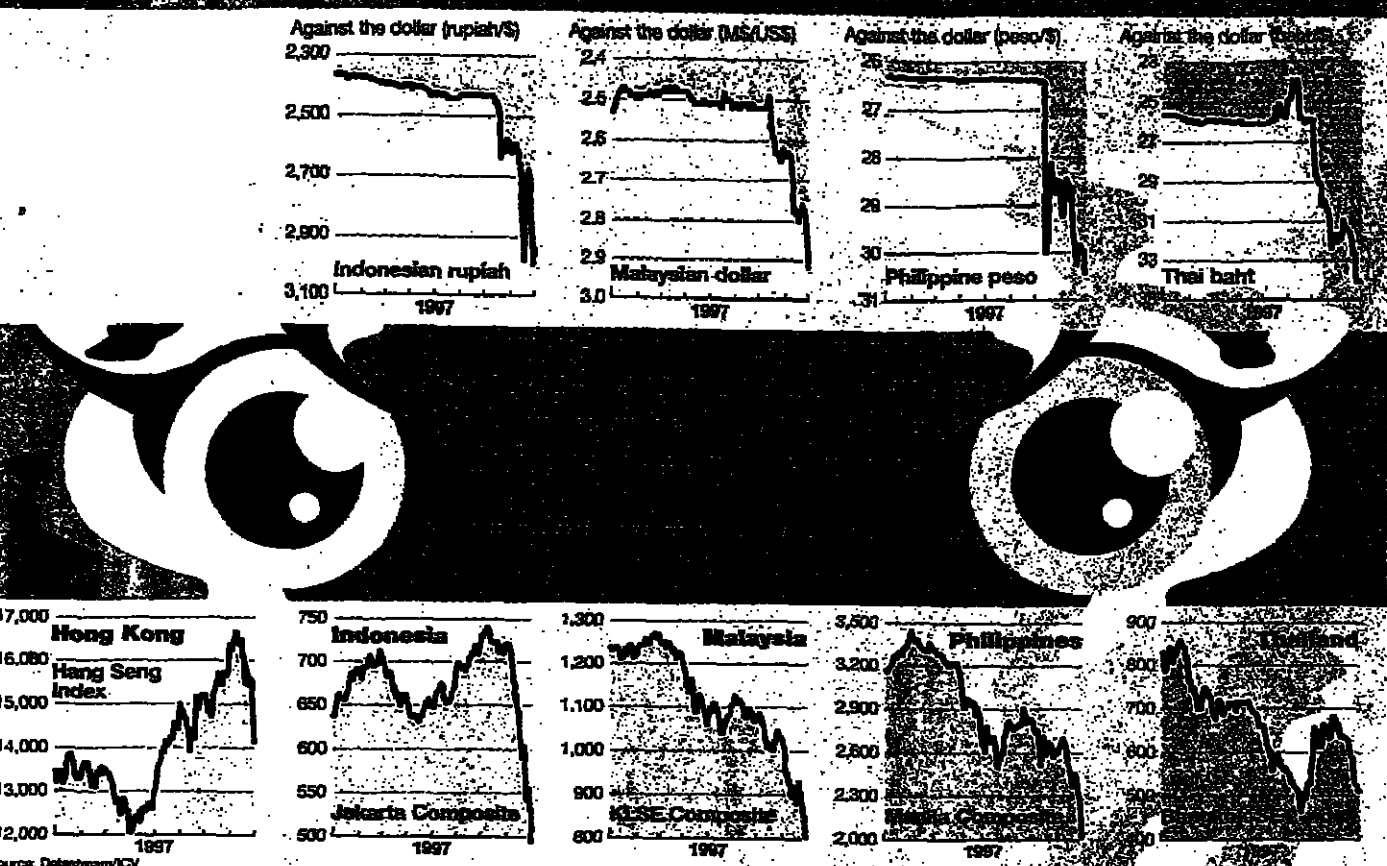
"Currencies are going to fall further," says Angus Armstrong of Deutsche Morgan Grenfell, the investment bank, in Singapore. Asia has not yet found a combination of exchange and interest rates which will lead to recovery.

"A lot depends on what happens in Thailand," adds Neil Saker of SocGen-Crosby, a regional brokerage house. But he warns that Thailand's position is likely to worsen in the short run.

Not only does the \$18.7bn (\$10.2bn) rescue package put together by the International Monetary Fund and Japan look insufficient to meet Thailand's foreign exchange needs. The government of Chavalit Yongchaiyudh is too weak to implement the reforms mandated by the IMF, Mr Saker says.

That raises the prospect of more troubles rippling out from Thailand to the rest of the region. Already Asia seems to be in the grip of a sort of enforced competi-

South-east Asia: under threat



Source: Datastream/ICV

itive devaluation. Even Singapore, which has high reserves, a large current account surplus and a recovering economy, has allowed its currency to fall.

In theory, the lower exchange rates and lower equity prices, should make Asian equities a bargain for emerging market investors. Jonathan Francis of Putnam Investment Managers in Boston says some of his clients are starting to look selectively at opportunities in Malaysia and the Philippines, though they are keeping away from Thailand and neutral on Indonesia.

But overall the flow of funds seems to be the other way. There have been large redemptions of Asian funds in the US, says Lawrence Heyworth of Robert Fleming, the investment bank.

International fund managers find it more profitable to trade with the movement in emerging markets rather than take a contrarian approach, he says. Recently Latin America and eastern Europe have been in favour.

Besides, traditional ways of measuring value in equity markets, like price/earnings ratios, are hard to apply in a climate of such violent change.

Thailand's stock market is trading on a ratio of around 10 times last year's corporate earnings. That looks cheap, but given the likely collapse in earnings of Thai companies over the next 18 months, no one knows how to calculate the forward price/earnings ratio which is what really counts in valuing equities.

Take a flagship company like Siam Cement, the Thai conglomerate.

Arbab Banerji of Foreign and Colonial Emerging Markets, the investment managers, in London calculates that after the baht devaluation the cost of servicing the company's large foreign debt would wipe out this year's earnings if Thailand managed a growth rate of 6 per cent this year. Since growth is expected to be much lower, the company may run up losses.

Economists think investors are likely to return to the equity markets only when they know the extent of the slowdown and its impact on earnings; and that is likely to happen only when currencies have stopped falling. Unless government policies become tougher, this process may first require exchange rates clearly to overshoot.

"People will seek results before they go back in. There will be some strong rallies, but we won't see proper recovery for some time," says Mr Saker. "You'll need signs of recovering exports and more balanced economies with lower consumption and savings rising. Only then will people be happy."

Mr Banerji says the region's problems are concentrated in Thailand and Malaysia which allowed their economies to become too highly geared in the boom period of 1994 and 1995. Now there are worries about bankruptcies in both as the over-supply of property is absorbed.

Both countries could recover quite rapidly, he believes, if their governments allow bankrupt companies - and even some banks - to go to the wall as

Mexico did after its crisis at the end of 1994. If, like South Korea and Japan, they insist that good companies subsidise bad ones, they face a long period of weak growth, deflation and crisis.

Michael Hughes, market strategist at BZW, the banking group, in London, emphasises the need for financial reform. "The financial system didn't keep pace with industrial development," he says, so south-east Asian countries are badly placed to absorb the capital flows. But the underlying impulse for the crisis lies elsewhere, argues Chen Zhao of the respected monthly China Analyst in Montreal.

Mr Chen believes that south-east Asian countries failed to see the competitive threat from China after it devalued the yuan in 1993. Since then China has introduced tax rebates on exports, while prices of export goods have fallen in the wake of anti-inflation policies.

China's real exchange rate has fallen, allowing the country to take a greater share of US imports from Asia and putting pressure on the export prices of other countries. Some time next year the tide could turn again in south-east Asia's favour, says Mr Chen. It will start to benefit from lower exchange rates, while the Chinese and Japanese economies will feel the effect of the present monetary stimulus from their central banks.

Meanwhile the markets could be in for a rough ride. Hong Kong's fall is a rude reminder of how problems can spread. Because it is Asia's most liquid market and one that has risen sharply this year, it could suffer disproportionately if international investors suddenly decide to pull more money out of Asia.

Mr Hughes says he fears the impact could be compounded if pressure on the currency forces the Hong Kong authorities to raise interest rates, hurting the property market. Such a shock would be bad for confidence generally, reducing global appetite for emerging markets. Similarly, says Geoffrey Dennis of HSBC James Capel, the brokers, in New York, there is a risk of worldwide contagion if Asia's currency crisis spreads to the Brazilian real.

"The tolerance for taking risks by global investors is reducing," says Mr Hughes. Far from shaking Wall Street, though, that could prove a source of underlying support for the US market as investors flee to quality. "The US bond market should do well," as will the dollar," he says.

Also helping underpin US markets may be the flow of ever cheaper imports from Asia thanks to the deflation that has now gripped the region. Insofar as that helps keep US inflation down, it could reduce the pressure for higher interest rates as the economy grows.

For western consumers and businessmen that would be good news. It would be scant consolation for the governments of Asia who now have to set about clearing up a mess which they themselves helped create.

LETTERS TO THE EDITOR

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Cyprus and the questions EU must ask

From Prof S. R. Sornel

Sir, Your editorial "Cyprus and the EU" (August 19) seems to have hit the nail on the head with regard to the causes of the failure of the recent talks on Cyprus in Switzerland.

On closer examination, however, you seem to have missed the main reasons for the anxiety of the Turkish Cypriots.

You claim that membership or the European Union would offer Turkish Cypriots the chance "to combine security with prosperity and freedom of movement". You omitted to mention freedom of settlement. The Turkish Cypriots are wondering how the EU will offer them security in the strategic, not economic, sense. How would freedom of movement and settlement guarantee the bi-communality and bi-zonality of a future federal Cyprus so that there would be a permanent Turkish majority in North Cyprus?

Would not Turkey, which applied for EU membership long before the Greek Cypriot application, and with a huge market (the population of Turkey is more than 65m), feel offended and aggrieved? In sheer economic terms, would the EU prefer the small Greek Cypriot market (South Cyprus has a population of 630,000) to the Turkish market?

I believe that these are vital questions which the EU needs to address.

S. R. Sornel,
Near East University,
Nicosia

A parked car does not cause pollution

From Mr Hanns Günther Bollig

Sir, Mr John Prescott, deputy prime minister of Britain, pledged that the two-car family would become a thing of the past once public transport was improved. I hope he does not fall into the same trap as other governments and environmentalists.

A parked car does not pollute the environment; a regularly scheduled public bus or train service does. Given the fact that scheduled public transportation usually fails to achieve an average utilisation of more than 20-35 per cent of its seating capacity over the year, even seemingly attractive public transportation

modes are environmentally more damaging than private cars. Here are some facts from recent German studies (ratios of average public transportation versus average modern car):

- Usage of primary energy per person per km: 1.6 to 1.
- NO_x emission per person per km: between 5 and 10 to 1.
- Public space used per person per km: 3 to 1.
- Tonnes of steel transported per person per km: 4 to 1.

A recent German long-term trial of electric cars showed strong environmental disadvantages of electric cars versus petrol-driven cars, if the pollution

caused by the electricity generating plants is included in the comparison. Let people have their second car (no one can drive more than one car at a time), but make them as small (for city parking) and fuel efficient as possible and provide an effective infrastructure. Individual people transport remains the most environmentally friendly solution except for peak-time commuting.

Hanns Günther Bollig,
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Bullion investors likely to be bit-part players

From Mr Michael Sones

Sir, Investors do not solely buy shares in gold producers to obtain exposure to movement in the gold price (Letters, August 19). They also seek to benefit from the myriad other factors - restructuring, cost reductions, currency exposure and the potential value of exploration, in

the case of many juniors.

Any investor willing to buy the metal must be prepared to give up many, if not all, of these possible filipps. Instead he must place all his eggs in the basket of a movement in the price of the underlying metal. Furthermore, even if investors were to bite the bullet and enter the bullion mar-

ket, they would likely remain bit-part players in the short term - at least for as long as North American hedge funds maintain their huge short positions and steal the leading role.

Michael Sones,
10 Harewood Avenue,
London NW1 6AA, UK

Why authority should be earned at the ballot box

From Mr Chris Hewitson

Sir, Heaven forbid that Christian Tyler's emotional plea for an extension of the monarchical principal across Europe should ever come to pass ("Zog's heirs to the throne room", August 23/24).

Blinkered, I assume, by his undignified status as another human being's "subject", Mr Tyler ignores the possibility that citizens can represent themselves

periodically at the ballot box to choose someone to represent them. The elected "first among equals" is assured of the people's authority, granted on trust and loaned for a limited period.

In a democracy, authority is earned at the ballot box. It is surely undemocratic for it to be handed down within the gift of a privileged caste. This is what the dictators of Europe discovered,

and now the people of those countries deserve free democracy that secures dignity and a decent life for all, not just guaranteed for one fortunate family, as is the case in Britain and other European countries Mr Tyler praises for their adherence to the hereditary principle.

Chris Hewitson,
11220 Constance, France

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FINANCIAL TIMES
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دکتران النجیل

Woman in the News • Biljana Plavsic

Mrs Not-Karadzic

Guy Dinmore on the appeal of the Bosnian Serb president

Biljana Plavsic, the Bosnian Serb president, seems an unlikely figure to be the first woman at the top of the male world of Serb politics. She is just as surprising in her role as the west's main local ally in the bitter conflict with her predecessor, Radovan Karadzic.

But beneath the charm of a motherly schoolmistress lies an uncompromising determination that earned her a wartime reputation as the "iron lady" and a fervent nationalist ideologue.

"Men, they don't like to have strong women, you know, in politics and in science," says the 57-year-old former professor of biology. "Still there are opinions that the place of women is in the kitchen... women have to do twice as much as men to be recognised."

In a long and rambling interview in her office in Banja Luka, Mrs Plavsic explains that her love of biochemistry has come to dominate the views of society and politics she forged during Bosnia's civil war. "It's necessary to go very deep in biology, you know... Sometimes in a marriage you have two people, separately they are very good quality people and others might say this marriage is going to be excellent but then there is something that is not good

in this marriage. It comes down to chemistry."

But does this mean, as her critics suggest, that she believes Moslems and Serbs are biologically incompatible and should live apart?

"No," she insists. "There is not a fundamental difference between Moslems and Serbs." She thinks Bosnia's Moslems were by origin Christian Slavs who converted to Islam under Ottoman rule centuries ago and suffer "a kind of confusion" about their roots.

"Before the war I had more friends among Moslems than Serbs," she says, anxious to dispel the image she has among her wartime foes as a racist.

Back in 1992 Mrs Plavsic enthusiastically embraced plans by Mr Karadzic, her one-time mentor and now arch-rival, to divide Sarajevo with a wall, Berlin-style, which would have crammed Moslems into the city's old Ottoman quarter.

"It is the habit of Moslems to live this way," she declared memorably. "They

need to live on top of one another. It's their culture. We need space."

A single kiss in April 1992 sealed her reputation among hardline Serbs. As a member of Bosnia's prewar collective presidency, Mrs Plavsic went to Bijeljina near the border with Serbia to investigate the expulsion and slaughter of Moslems. On arriving she embraced a man known as Arkan, who had achieved notoriety six months earlier when his paramilitary "Tigers" carved a bloody trail through Croatia's Eastern Slavonia.

That whole episode was misunderstood, Mrs Plavsic now explains. She had little idea who Arkan was and had merely thanked him for releasing three senior members of the Bosnian government, a Serb, Moslem and Croat, who had been seized in Bijeljina. "He was really obedient and followed my instructions," she says.

International officials, who now find themselves in the unlikely position of backing Mrs Plavsic in her

power struggle against Mr Karadzic, an indicted war crimes suspect, recall her as the worst Bosnian Serb leader to deal with during the 1992-95 war.

"We always tried to avoid her," said one UN official who asked not to be named. "We even preferred to negotiate with Karadzic."

Mrs Plavsic was the driving force behind the Serbs' rejection of the 1993 Vance-Owen plan that would have divided Bosnia into 10 provinces among the three ethnic groups. Threatened with Nato reprisals, she declared: "Let them bomb the bridges. They can't destroy the Serbs with bombardment."

Two years later Nato did just that and the defeated Serbs were forced to the negotiating table. Mr Karadzic had to step down as president in 1996 and Mrs Plavsic was elected to replace him as president of Republika Srpska, the Serb entity that now makes up half of Bosnia along with the Moslem-Croat federation.

Since then Mrs Plavsic

has taken a more pragmatic line. She now enjoys Nato's full backing and growing support among Serbs, especially soldiers who recall her visits to the frontline. But her basic acceptance of the US-mediated Dayton accord has led her on a collision course with Mr Karadzic, who has continued to wield power covertly.

A devout Orthodox Christian who wears a large golden cross around her neck, she accuses her rivals of betraying the Serb people by living off the proceeds of smuggling rackets. "It is like the old communist regime. Only the titles are different. The methods are the same."

She shares the same hostility towards Slobodan Milosevic, the ruler of Serbia for the past 10 years who led the Bosnian Serbs into war and in their eyes betrayed them. "Democracy runs deep in the Serb people," she says. "They cannot solve this national problem without democracy. Milosevic has no idea what is democracy. He knows only the

methods of the communist regime, and the result of his national plan was zero or even below zero."

The Moslems driven out of Serb-controlled territory may eventually return, she says, once Serb refugees displaced from Croatia and other parts of Bosnia are resettled. "It's going to be multi-ethnic, like England, Germany and other European countries. Nobody wants it to be a territory just for Serbs."

Mrs Plavsic was born in Tuzla in northern Bosnia and moved to Sarajevo at the age of four. She studied in Zagreb, now the capital of Croatia, and became professor of biology at Sarajevo university.

Even now, when the conversation returns to science, she grows animated and admits it is her first love.

Lighting another Cartier cigarette, she recalls with happiness the 18 months she spent as a Fulbright scholar in the US 25 years ago. Her greatest achievement, she remembers, was discovering the cause of diseases affecting coconut palms in Florida and sugar cane along the Mississippi.

"I only had great ambitions in my science. I have no ambition in politics. I have a sense of obligation, a kind of responsibility for the Serb people."



Alice Rawsthorn on PolyGram's \$1.25bn Hollywood gamble

Put to the screen test

It was the sort of star-studded affair Hollywood lives by. The host was Michael Douglas. The guest list included Richard Attenborough, the photographer, and Naomi Campbell, the model. And the occasion was a sneak preview of the star's new movie, *The Game*.

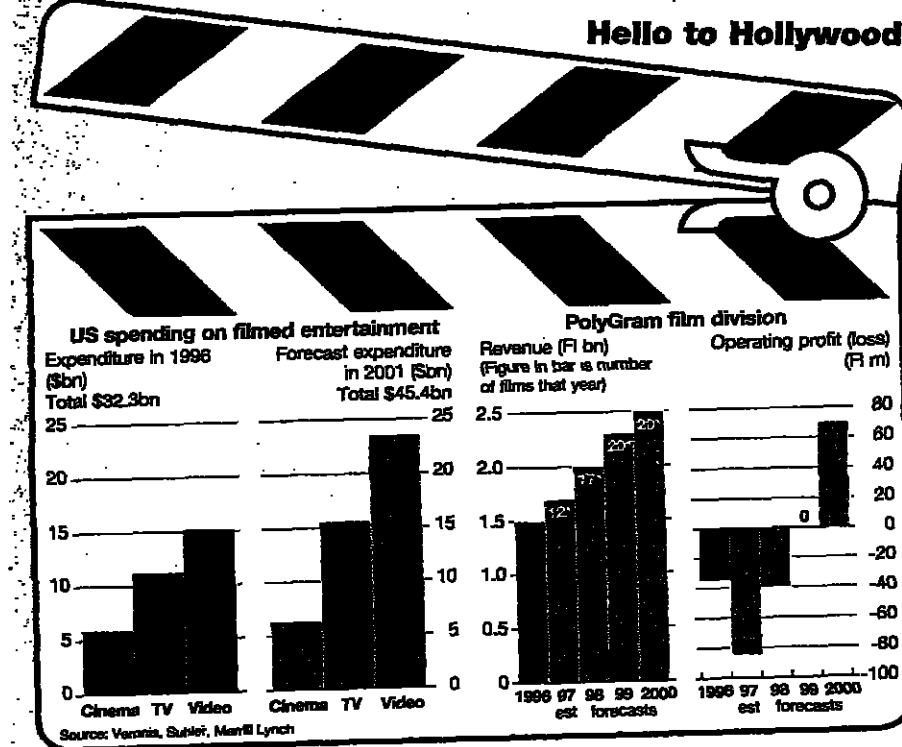
For Douglas, *The Game* will determine whether he can revitalise his acting career. For David Fincher, the director, it will determine whether he can repeat the success of *Seven*, his previous picture. But for PolyGram, the Dutch group, the stakes are much higher.

The group is making a \$1.25bn gamble to become the first European investor to succeed in Hollywood. *The Game* will be the first film to be released by the US distribution company founded by PolyGram. The fate of the film will help determine whether any outsider can break into what is one of the toughest markets in the world and whether a new kind of film business is possible.

Michael Kuhn, chairman of PolyGram's film entertainment division, says: "We've got to do a good job with *The Game*. You can't be in this business seriously unless you're in US distribution."

Hollywood history is littered with the corpses of failed "players". Most made expensive acquisitions, like Matsushita, the Japanese electronics group which owned Universal Pictures for four unhappy years, or poured capital into production, as Mario Kassar, founder of independent producer Carolco, did until his company collapsed. PolyGram itself joined the casualty list at the turn of the 1980s by investing in a film production company run by Peter Guber and Jon Peters, notorious for their prodigal regime at Sony Pictures. At that time, PolyGram "gave a big chunk of money to some guys, told them to go and make movies, then managed it out of Hamburg," says Alain Lévy, PolyGram's present chairman.

When he decided to return to Hollywood in the early 1990s, Mr Lévy adopted a different strategy. Rather than replicate the pyramidal structures of conventional Hollywood studios, he and Mr Kuhn, a lawyer who he picked to run the film division, adopted the



record company model of channelling projects through production subsidiaries, or "labels". These include Working Title, producers of *Fargo* and *Beavis and Butt-Head*; Propaganda, which made *The Game*; and Egg Pictures, run by Jodie Foster, the actress.

Each company has a development and production budget, but the people in charge brief Mr Kuhn on the progress of each development project. "Michael [Kuhn] is more of a Mr No than a Mr Yes," says Mr Lévy. "He has a distance from the projects, and judges them as a businessman. Most of them go back three or four times before they're greenlit."

As for Mr Lévy, "the Americans couldn't believe it when he took over PolyGram. They were used to having their egos stroked, and he wasn't having any of it," said a former executive.

PolyGram's record has been respectable. Its only bona fide blockbuster has been 1994's *Four Weddings and a Funeral*, which took \$240m worldwide, but four other pictures, including *Sleepers* and *Johnny Suede*, have earned more than \$100m.

It has produced 100 films and won a reputation for nurturing critical and commercial successes, such as *Trainspotting* and *Usual Suspects*, despite some flops, notably *Portrait of a Lady*.

Mr Kuhn has distribution arms in the UK, France, Germany, Spain, the Netherlands and Australia. This, he says, was eased by tapping into PolyGram's international record labels. "When the guy from Disney gets off the plane in Spain, he's got to start from scratch. At least we can provide office space and a few contacts."

There has been slower progress over its efforts to expand into Europe and Asia, where hundreds of new digital television channels are scheduled to come on air, and thousands of new cinema screens are under construction.

Mr Kuhn claims the old Hollywood studios are ill-equipped to accommodate structural changes in the market, because their expertise lies in US cinema distribution rather than the fast-growing fields of video, television rights and what Tinseltown moguls derisively call "rest of world". Poly-

Gram, he says, has had a clean sheet to create a model modern film business.

However, PolyGram's overwhelming advantage has been money. Other would-be movie moguls have balked at the hefty investment required to make a profit in Hollywood.

Intent on reducing PolyGram's reliance on the cyclical music business, Mr Lévy secured the consent of Philips, the Dutch electronics company which is its 75 per cent shareholder, to plough part of the profits from its music division, by then the world's largest record company, into its film subsidiary. Some \$80m has been invested so far. It has also secured Philips' consent to allocate up to \$40m of working capital for the first two years of US distribution.

Mr Lévy claims to be delighted with the film venture's progress, maintaining its market value is already greater than PolyGram's \$820m investment, and that its losses - \$135m (\$16.9m) on revenue of \$1.54bn in 1996, from group net profits of \$1.722m and \$1.949bn sales - are within budget.

However, he has needed a strong nerve to stick to his strategy.

Distribution is the most profitable part of the film business, but also the riskiest, because the distributor bears the full cost of promoting a film, and absorbs all its profits or losses.

PolyGram could not risk diversifying into US distribution until it was confident of making 15 films a year, up to four of which would be "wide releases" on more than 2,000 screens. Efficient distributors need to provide a steady supply of films to cinemas. Other Hollywood newcomers ran out of capital long before they reached that level of production.

The Game will be the first test of whether the gamble has paid off. A box office success would give PolyGram's new distribution company more credibility with the US cinema chains.

But if *The Game* flops, and the US distribution company falters, PolyGram will be relegated to the ranks of the other interlopers that have floundered in Tinseltown. If so, Philips' patience would be severely strained, and Mr Lévy might well discover exactly how much his laboriously constructed film business would be worth on the open market.

Battle against the bugs

Clive Cookson on the food poisoning epidemic

As the US Department of Agriculture supervises the largest recall of contaminated meat in history - enough to make 100m beef burgers - an epidemic of food poisoning is gripping the world.

A new study by the World Health Organisation suggests that every day millions of people suffer from diseases caused by contaminated food. Although statistics in this field are notoriously unreliable - the WHO estimates that food poisoning is at least 300 times more common than official notifications would indicate - specialists say the incidence is increasing.

The record-breaking recall by Hudson Foods of 11m kg of minced beef from fast-food chains, shops and wholesalers across the US was prompted by a relatively small outbreak of food poisoning: the virulent O157:H7 strain of *E. coli* bacteria made 17 people ill in Colorado and no one died. But this was just one of many outbreaks. The WHO puts the annual toll of food poisoning in the US at 6.5m to 38m cases and 9,000 deaths.

The Hudson recall has galvanised political and public opinion in the US. Dan Glickman, agriculture secretary, announced this week that he would be sending Congress a food safety bill, strengthening his powers to ban suspect foods and fine manufacturers.

Most food poisoning is linked to contaminated meat. The *E. coli* outbreak that affected 500 people and killed 20 in Scotland last year was traced to a butcher in the Lanarkshire town of Wishaw. But vegetarians suffer too. "Fresh vegetables are becoming increasingly important as a source of food-borne transmission," says Fritz Käferstein, director of the WHO food safety programme, "and we must develop prevention and control guidelines for raw agricultural products."

The US Food and Drug Administration took a step in that direction this week, with proposals to put health warning labels on unpasteurised fruit juices and to improve hygiene procedures in processing plants. An *E. coli* outbreak last year, which made 67 Americans ill and killed one child, was linked to unpasteurised apple juice. And a huge Japanese outbreak involving 5,700 people in Sakai City was associated with contaminated white radishes.

However, vegetable or fruit-borne food poisoning often originates with infected animals - for example, through the use of manure as a fertiliser. And, Dr Käferstein says, "unpasteurised apple juice was infected because some of the apples used were gathered off the ground - and had fallen into cattle shit".

Many species of bacteria can cause food poisoning. The incidence of salmonella and listeria - a focus of food contamination scares in the 1980s - is beginning to fall in many countries. Now the most notorious germ is the fast-spreading *E. coli* O157:H7.

Intensive farming to the demise of the old-fashioned full-time housewife running a hygienic kitchen.

"The most effective way of preventing food poisoning is to break the chain of transmission from the infected animal to the human being," says Bernard Mackie, a microbiologist at the UK Institute of Food Research.

Action by the UK government after last year's Scottish *E. coli* outbreak includes various measures to break the chain, for example by enforcing rigorous separation of raw and cooked meats in food preparation.

Education must be part of any programme to tackle the problem, Dr Mackie adds. "Practical food safety needs to be taught in schools. For example, people must learn not to put a piece of raw chicken next to a cooked piece on the barbecue."

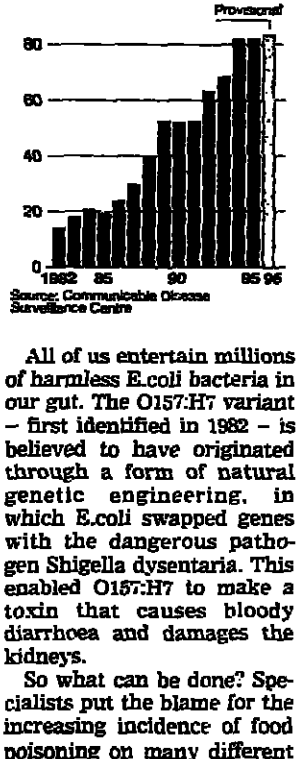
Technology can contribute too. Although there is no obvious way of telling whether a live farm animal is carrying dangerous germs, quick tests for detecting contamination in meat are coming on to the market.

A more controversial technology is irradiation, which some microbiologists advocate as a means of killing germs in food without destroying its nutritional or gastronomic properties. But consumer groups are suspicious of using radiation for food hygiene.

Pasteurisation, on the other hand, is universally accepted as a sterilising method. The controversy here is whether it should be compulsory for fruit juices, milk and dairy products.

"We get no cases of campylobacter and salmonella associated with milk in Scotland, where pasteurisation is compulsory, but they do occur in England where it is not," says Dr Mackie. "The issue is whether the freedom of choice is justified by the cost of extra disease."

The worldwide toll from food poisoning would fall substantially if the production of cheese from raw milk were stopped. But the health gain would not justify the gastronomic loss.



The feeling is no longer mutual

John Authers looks at Fidelity's decision to close the Magellan fund to new investors

Fidelity Investments, the world's largest fund manager, seemed to have signalled the start of a new era this week when it announced that its Magellan mutual fund would close to new investors from the end of next month.

Magellan has significance beyond its mammoth size (it has \$62.9bn in assets). Using heavy advertising for its investment performance and selling directly to small investors, the fund became the flagship for the whole mutual-fund industry.

For once, though, Magellan is following a trend, rather than setting it.

In the past 18 months, both Putnam Investments, and the Vanguard group, the two companies that recorded greater net mutual fund sales than Fidelity last year, have also closed popular funds to new investors.

But if Magellan seems to be lagging behind, its decision -

and some of the difficulties that preceded it - reveal much about the increasingly sophisticated nature of US retail investors. They can identify good investment performance and have the tools to switch funds quickly, which raises questions about stock market volatility.

Magellan suffered more than a year of persistent cash outflows - more than \$5bn last year alone - following a disastrous decision to put a large chunk of its portfolio into bonds at the end of 1995. Cash started to flow back only in the middle of July.

In contrast, the rest of the industry has been attracting record or near-record in-flows. Figures for July released this week by the Washington-based

Investment Company Institute showed that equity funds took in \$26.56bn for the month, normally a quiet one. That was the second highest figure ever.

Magellan missed out because money now flows almost exclusively to funds performing significantly above average.

According to Matt Beandry of the Boston-based Financial Research Corporation, about 85 per cent of all new investments go into funds with either five- or four-star ratings from Morningstar, the most influential mutual fund research organisation. Performance measurements - particularly Morningstar's - are now so widely published that flows into the remainder of the industry are negligible, as Magellan discovered.

The pressure on funds to perform - as well as the potential for volatility in trading - has been further increased by the new concept of fund "supermarkets". Using computer programs accessible by telephone or Internet, investors can switch between thousands of different funds, buying or selling, at no cost and at any time. Charles Schwab, the San Francisco-based discount broker pioneered the idea, which numerous banks and funds, including Fidelity, have followed.

Schwab's supermarket has grown at a rate reminiscent of Magellan's early years: it had \$1.8bn in assets when it was launched in 1992. Now it has

\$50bn. Some analysts believe Fidelity's decision to close Magellan was part of an attempt to keep up with the times - to emphasise choice and flexibility through its own supermarket, rather than encourage investors to commit themselves to one big fund manager.

But is the growth of such "supermarkets" a good thing for Wall Street as a whole? Some in the industry fear not - notably Jack Bogle, founder of Vanguard. He claims supermarkets encourage a "casino economy", because they make it too easy for investors to speculate. Vanguard has a supermarket of its own, but it requires investors to pay a transaction fee every time they switch funds, to

encourage long-term investment.

Henry Kaufman, long-time chief economist of Salomon Brothers, who now runs his own firm, has suggested that making selling so quick and easy could permit a "vicious cycle" when the next bear market starts, with mutual fund investors redeeming their investment en masse, sucking money out of the market just when it needs it.

This hypothesis is unprovable, but several companies are taking steps to limit in-flows, and educate investors about market downturns. Earlier this year, Vanguard went to the lengths of sending a leaflet to its investors on the possibility of a bear market and warned that its most popular funds, which track mar-

ket indices, were more risky than people thought.

Are such fears really justified? Historical data from the Investment Company Institute suggests that, as might be expected, savers invest more money when the market is doing well, and occasionally make net withdrawals when it does badly. But monthly outflows during a downturn have exceeded 1 per cent of funds' assets only twice.

Even the worst outflow on record - 3.2 per cent in October 1987, following "Black Monday" - was still within the levels that most funds would have kept in cash, so there would have been no need for forced sales of stocks.

That was before the days of 24-hour on-line trading. But the figures suggest that investors would not flee the market en masse, though they reserve the right to punish any fund, even the mighty Magellan, which under-performs its peers.

UNIT TRUSTS

WINNERS AND LOSERS

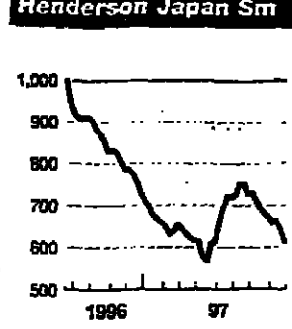
TOP FIVE OVER 1 YEAR

HSBC Hong Kong Growth	1,745
Investec Hong Kong & China	1,724
Henry Cooke Eastern Enterprise	1,654
Govett Greater China	1,623
Gartmore Hong Kong	1,495

BOTTOM FIVE OVER 1 YEAR

Old Mutual Thailand Acc	349
Save & Prosper Gold & Exp	519
Save & Prosper Japan Small Cos	600
F&C Japanese Smaller Cos	611
Henderson Japan Smaller Cos	612

Henderson Japan Sm



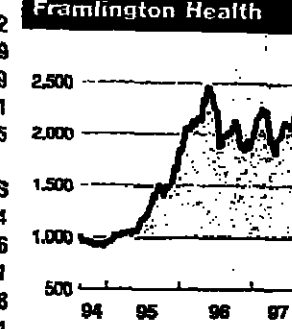
TOP FIVE OVER 3 YEARS

Proffitt Technology	2,532
Hill Samuel US Smaller Cos	2,479
PM North America Growth	2,389
HSBC Hong Kong Growth	2,351
Framlington Health	2,195

BOTTOM FIVE OVER 3 YEARS

Old Mutual Thailand Acc	314
Five Arrows Japan Smaller Cos	466
Fidelity Japan Smaller Cos	491
Save & Prosper Korea	498
Schroder Japan Smaller Cos Acc	501

Framlington Health



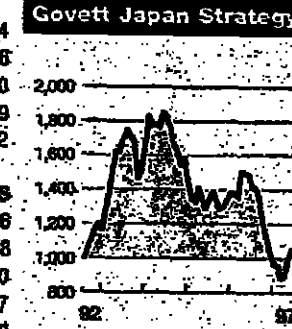
TOP FIVE OVER 5 YEARS

HSBC Hong Kong Growth	5,274
Proffitt Technology	4,775
Gartmore American Emer Gth	4,560
PM North America Growth	4,389
Schroder US Smaller Cos Inc	4,262

BOTTOM FIVE OVER 5 YEARS

Save & Prosper Korea	739
Govett Japan Strategy	858
Baring Japan Sunrise	1,080
Barclays Uni Japan Inc	1,087
M&G Japan & General Acc	1,088

Govett Japan Strategy



TOP FIVE OVER 10 YEARS

HSBC Hong Kong Growth	6,578
Hill Samuel US Smaller Cos	6,322
F&C US Small Companies	6,032
Gartmore Hong Kong	5,811
Framlington Health	5,085

BOTTOM FIVE OVER 10 YEARS

Waverley Australian Gold	331
Randevy Uni Japan Inc	520
Save & Prosper Gold & Exp	582
M&G Japan & General Acc	583
Henderson Japan Smaller Cos	577

Gartmore Hong Kong



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. Source: Reuters Hindsight (01625 511311)

Indices

	1 year (%)	3	5	10	Volatility	Yield
Average Unit Trust	1067	1280	2174	2188	3.1	2.5
Average Investment Trust	1123	1241	2399	2377	4.4	5.0
Bank	1034	1112	1201	1824	0.0	4.9
Building Society	1033	1112	1208	1830	0.0	4.7
Stockmarket: FTSE All-Share	1229	1368	2484	2845	2.4	3.4
Inflation	1033	1094	1135	1543	0.4	-

UK Growth

	1 year (%)	3	5	10	Volatility	Yield
Johnston Fry Slater Growth	1214	1879	2712	-	3.4	0.9
Jupiter UK Growth	1094	1704	3045	-	2.9	1.9
Perpetual UK Exempt	1185	1692	3334	-	2.4	2.5
Standard Life UK Eq Growth Acc	1133	1571	2512	3082	2.6	1.6
Britannia Balanced Growth Inc	1206	1645	2483	2282	2.6	1.4
SECTOR AVERAGE	1109	1414	2275	2031	2.7	1.8

UK Growth & Income

	1 year (%)	3	5	10	Volatility	Yield
Fleming Select UK Income	1270	1622	2662	2326	2.5	3.6
Perpetual Income	1180	1586	2913	2659	2.3	2.7
Lazard UK Income & Growth	1173	1585	2385	2493	2.6	3.2
Co-op Pensions Equity Dis	1238	1594	2275	-	2.4	3.0
Britannia UK General Inc	1215	1563	2281	1974	2.9	3.0
SECTOR AVERAGE	1142	1406	2188	2332	2.6	2.6

UK Smaller Companies

	1 year (%)	3	5	10	Volatility	Yield
Gartmore UK Smaller Companies	1097	1779	3052	1752	3.5	0.5
Laurence Keen Smaller Cos	1089	1758	-	-	3.0	1.2
INVESTCO UK Smaller Companies	1040	1668	3070	1650	3.9	1.5
AES Smaller Companies	1004	1655	2467	-	3.0	0.9
Britannia Smaller Cos's Acc	1078	1605	3187	1510	3.1	0.5
SECTOR AVERAGE	977	1271	2211	1537	3.0	1.7

UK Equity Income

	1 year (%)	3	5	10	Volatility	Yield
Jupiter Income	1140	1780	3482	3675	2.5	4.0
Lazard UK Income	1173	1605	2557	2958	2.4	4.1
Britannia High Yield Inc	1148	1574	2636	2829	2.4	4.0
BYD UK Equity Income	1203	1624	2628	2220	2.6	3.8
Metropolitan UK Income	1191	1511	2493	2628	3.2	4.1
SECTOR AVERAGE	1135	1261	2241	2244	2.5	4.3

UK Equity & Bond Income

	1 year (%)	3	5	10	Volatility	Yield
Proffitt Equity Income	1096	1423	2207	2098	2.2	4.2
CIS UK Income	1181	1577	2110	-	2.2	3.9
Edinburgh High Distribution	1121	1371	2096	1736	2.5	3.9
Midland Monthly Income	1170	1565	-	-	2.0	4.3
Mercury Income Portfolio Inc	1085	1349	-	-	4.9	-
SECTOR AVERAGE	1102	1274	2002	1905	2.1	5.3

UK Eq & Bd

	1 year (%)	3	5	10	Volatility	Yield
BWD Balanced Portfolio	1178	1558	2680	-	3.0	1.8
Perpetual High Income	1172	1519	2777	-	2.0	3.1
Credit Suisse High Income Port	1097	1441	2422	-	2.3	4.2
Canlife Income Dis	1162	1438	2165	2104	2.0	3.2
NPI UK Extra Income Inc	1067	1397	2329	-	2.2	3.6
SECTOR AVERAGE	1121	1372	2222	2143	2.2	3.0

UK Fixed Interest

	1 year (%)	3	5	10	Volatility	Yield
M&G Corporate Bond	1156	1375	-	-	1.8	6.6
Aberdeen Fixed Interest	1087	1367	2319	2532	1.4	8.4
Thornhill Preference Inc	1082	1363	1664	2284	1.8	8.1
Henderson Preference & Bond	1110	1337	1623	1937	1.3	8.0
Proffitt Pref & Fixed Interest	1107	1324	1648	-	1.6	8.4
SECTOR AVERAGE	1070	1259	1571	2021	1.7	6.5

UK Gilt

	1 year (%)	3	5	10	Volatility	Yield
M&G Gilt & Fixed Interest	1140	1323	1491	2080	1.8	6.2
Gartmore PS Fixed Interest	1108	1294	1502	-	1.7	6.8
Murray Acumen Reserve	1087	1282	1479	-	1.4	6.7
Mercury Long-Dated Bond	1108	1251	-	-	2.1	5.4
Midland Gilt & Fixed Interest	1048	1251	1447	2020	1.2	6.3
SECTOR AVERAGE	1056	1199	1401	2047	1.5	5.8

International Equity Income

	1 year (%)	3	5	10	Volatility	Yield
GT International Income Inc	1115	1419	2238	2603	2.4	2.0
Martin Currie Int'l Income	1148	1385	2270	-	2.5	3.2
Mayerflow Global Income	1109	1314	2122	2110	2.3	3.2
M&G International Income	1118	1307	2255	2508	2.3	3.9
Premier Dolphin Int'l Gth & Inc	1058	1306	2066	1350	2.6	1.3
SECTOR AVERAGE	1099	1309	2139	2056	2.4	2.8

International Fixed Interest

	1 year (%)	3	5	10	Volatility	Yield
Baring Global Bond	1018	1282	1675	-	1.5	6.2
Bank of Ireland Ex Mgd Growth	992	1236	1498	-	1.7	4.6
Barclays Uni European Bond Inc	1034	1220	-	-	1.0	5.7
Newton International Bond	1019	1205	1576	-	2.2	5.4
Mercury Global Bond Acc	951	1166	1491	-	1.6	3.6
SECTOR AVERAGE	948	1107	1402	1724	1.8	5.0

International Equity & Bond

	1 year (%)	3	5	10	Volatility	Yield
Bank of Ireland Ex Mgd Growth	1127	1472	2144	-	2.0	2.3
Fleming General Opportunities	1152	1397	2006	-	2.2	3.1
Capel-Cure Halfmark Growth	1185	1387	1964	2112	2.3	1.5
Newton Intrepid	1172	1376	-	-	2.9	1.4
Baillie Gifford Managed	1127	1372	2090	2417	2.3	2.4
SECTOR AVERAGE	1086	1273	1899	2158	2.1	2.4

International

	1 year (%)	3	5	10	Volatility	Yield
Proffitt Technology	1166	2532	4778	5008	6.7	-
Framlington Health	1026	2195	3035	5095	6.9	-
Save & Prosper Financial Secs	1266	1912	3695	3247	3.0	1.3
Henderson Global Technology	1071	1758	3437	3992	6.7	-
Framlington Financial	1235	1755	3382	3632	2.8	0.9
SECTOR AVERAGE	1101	1275	2273	2190	3.3	0.8

Nth America

	1 year (%)	3	5	10	Volatility	Yield
Hill Samuel US Smaller Co's	1102	2479	4137	6322	5.2	-
PM North America Growth	1312	2389	4399	4420	4.5	0.1
Fidelity American Spec Sits	1312	2177	3354	3940	5.2	-
Edinburgh North American	1248	2114	3836	3681	3.6	0.5
Royal Life United States	1284	2081	3825	3674	3.9	0.2
SECTOR AVERAGE	1186	1717	2890	3037	4.1	0.5

Europe

	1 year (%)	3	5	10	Volatility	Yield
Jupiter European	1130	1940	3483	4539	3.0	0.2
Baring Europe Select	1144	1856	3270	2788	3.5	0.8
Threadneedle Euro Sel Gth Ret	1188	1808	2167	2786	3.7	0.1
Friends Prov European Gth	1198	1783	3031	-	2.6	-
INVESTCO European Growth	1154	1743	3374	3000	3.6	-
SECTOR AVERAGE	1133	1456	2473	2597	3.0	0.7

Japan

	1 year (%)	3	5	10	Volatility	Yield
Jupiter Japan Growth	929	936	1850	1410	3.5	-
Martin Currie Japan	925	929	1858	-	5.4	-
Newton Japan	968	883	1887	1151	4.9	-
Murray Japan Growth	903	877	1580	-	4.6	-
Baillie Gifford Japan	937	868	1542	1207	5.2	-
SECTOR AVERAGE	795	702	1418	1058	5.2	0.2

Far East exc Japan

	1 year (%)	3	5	10	Volatility	Yield
Govett Greater China	1623	1615	3909	3789	4.8	-
Thornhill Oriental Income Inc	1100	1083	2004	1855	3.8	3.3
Schroder Far East Growth Inc	965	1009	2849	-	4.4	-
Martin Currie Far East	1008	995	2165	1967	4.6	0.2
United Friendly Far Eastern	965	980	1934	-	3.7	0.8
SECTOR AVERAGE	933	915	2054	1848	4.2	0.5

Far East exc Japan

	1 year (%)	3	5	10	Volatility	Yield
HSBC Hong Kong Growth	1745	2351	5274	5578	6.4	0.1
INVESTCO Hong Kong & China	1724	1907	3988	3381	6.4	0.2
Henry Cooke Eastern Enterprise	1854	1722	-	-	5.4	-
Gartmore Hong Kong	1485	1697	3601	5811	6.0	0.7
Old Mutual Hong Kong	1378	1658	3510	4502	6.5	0.5
SECTOR AVERAGE	984	1029	2441	3024	5.2	0.6

Best Peps

	1 year (%)	3	5	10	Volatility	Yield
Jupiter European	1130	1940	3483	4539	3.0	0.2
Save & Prosper Financial Secs	1266	1912	3695	3247	3.0	1.3
Thornhill Preference Inc	1082	1363	1664	2284	1.8	8.1
Edinburgh North American	1248	2114	3836	3681	3.6	0.5
Royal Life United States	1284	2081	3825	3674	3.9	0.2
SECTOR AVERAGE	1186	1717	2890	3037	4.1	0.5

Property

	1 year (%)	3	5	10	Volatility	Yield
Aberdeen Property Share	1157	1223	2681	-	3.0	1.6
Barclays Uni Property	1040	1128	1315	-	0.9	5.5
Novich Property	1070	1103	1586	-	1.1	5.8
SECTOR AVERAGE	1082	1152	1861	-	1.7	4.5

Authorized and Insurances

Authorized and Insurances

هكذا من العمل

FT MANAGED FUNDS SERVICE

OFFSHORE INSURANCES

[illegible]

Offshore Insurances and Other Funds

• FT Citiline Unit Trust Fees are available over the telephone. Call the FT Citiline Help Desk on (444 171) 873 4378 for more details.

[illegible]

The Financial Times plans to publish a Survey on

Spanish Banking & Finance

For more information, please contact

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Edward Macquisten in Madrid

Tel: +34 1 337 006:

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or your usual Financial Times representative

FT Surveys

OTHER OFFSHORE FUNDS				Tel: +44 171 873 3725 Fax: +44 171 873 3934			
				Edward Macquisten in Madrid			
				Tel: +34 1 337 0061			
				Fax: +34 1 337 0062			
				or your usual Financial Times representative			
				FT Surveys			
</							

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هكذا من الأهل

INVESTMENT TRUSTS - CONT.

	Notes	Price	% Chg.	Hgh
New Zealand	\$4	218	-2½	264½
Norwegian Gov	—	27	—	55
Norway 1990 Cvt	—	248	-1½	495
US Int'l 2011	—	444	—	445
Banque Paribas	—	472½	—	473
Ind Medical Co	—	189¾	-1½	115½
Warrants	—	29½	-1½	31
Oceanic Inv	—	432½	-1½	486½
Warrants	—	267½	-1½	281
Pacific Assets	—	81¼	-1½	115½
Sing & Warrants	—	9¼	-1½	10
Pacific Horizon	—	42¾	-1½	12½
Warrants	—	28½	-1½	29½
Pacific Intl	—	88	—	78½
Warrants	—	67	—	17

7.8	Perpetual European	77 1/2	1-1-84	100
8.8	Profound Inc & Gwth	113 1/2	1-1-84	100

[illegible][illegible][illegible]

1	30.0	Warrants	12.2	4	3
		Wear	302.2		

Net asset value supplied by WestWest Securities

[illegible]

103.7	8.9	Wenderson Capital Inc. S.S.S.	120.2	10
111.0	10.6	Zero Div PT	102.2	10
161.0	8.1	16 S Oeffmann	92.2	10

157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
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973.2	1.9	Florida & Missouri Inc.	26.5
101.7	14.2	St. Paul & Northern Pacific	13.5

[illegible]

ENGINEERING VEHICLES **HEALTH CARE - Cont.**

	Notes	Price	+ C
11-11111111	2-2	59	-

[illegible]

Notes	Price	+ or -	to
2	2071		20

Year	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

INSURANCE

Age Group	No opinion	Don't know	Yes	Probably yes	Probably no
18-24	10	10	40	30	10
25-34	10	10	30	40	10
35-44	10	10	20	50	10
45-54	10	10	10	60	10
55-64	10	10	5	70	10
65-74	10	10	5	70	10
75+	10	10	5	70	10

مركز من الأعمال

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Aug 29 / US\$)

(4 pm close)

Symbol	High	Low	Open	Close	Change
DOW JONES	7984.43	7977.33	7982.22	7982.22	+7.09
S&P 500	1037.77	1037.03	1037.03	1037.03	+0.74
NASDAQ	2078.88	2071.83	2072.56	2072.56	+6.73
NYSE COMP	472.36	470.55	473.36	473.36	+1.00
AMEX COMP	650.89	651.12	647.30	647.30	-3.59
NYSE TRAD	181.31	180.54	181.30	181.30	+0.78
NYSE TRAD	181.31	180.54	181.30	181.30	+0.78
NYSE TRAD	181.31	180.54	181.30	181.30	+0.78
NYSE TRAD	181.31	180.54	181.30	181.30	+0.78
NYSE TRAD	181.31	180.54	181.30	181.30	+0.78

EUROPE

AUSTRIA (Aug 29 / S\$)

(4 pm close)

Symbol	High	Low	Open	Close	Change
ATX	3581.81	3486.30	3481.76	3481.76	-95.05
ATX	3581.81	3486.30	3481.76	3481.76	-95.05
ATX	3581.81	3486.30	3481.76	3481.76	-95.05
ATX	3581.81	3486.30	3481.76	3481.76	-95.05
ATX	3581.81	3486.30	3481.76	3481.76	-95.05
ATX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

GERMANY (Aug 29 / DM)

(4 pm close)

Symbol	High	Low	Open	Close	Change
DAX	3581.81	3486.30	3481.76	3481.76	-95.05
DAX	3581.81	3486.30	3481.76	3481.76	-95.05
DAX	3581.81	3486.30	3481.76	3481.76	-95.05
DAX	3581.81	3486.30	3481.76	3481.76	-95.05
DAX	3581.81	3486.30	3481.76	3481.76	-95.05
DAX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

FRANCE (Aug 29 / FF)

(4 pm close)

Symbol	High	Low	Open	Close	Change
CAC	3581.81	3486.30	3481.76	3481.76	-95.05
CAC	3581.81	3486.30	3481.76	3481.76	-95.05
CAC	3581.81	3486.30	3481.76	3481.76	-95.05
CAC	3581.81	3486.30	3481.76	3481.76	-95.05
CAC	3581.81	3486.30	3481.76	3481.76	-95.05
CAC	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

ITALY (Aug 29 / Lit)

(4 pm close)

Symbol	High	Low	Open	Close	Change
FTSE	3581.81	3486.30	3481.76	3481.76	-95.05
FTSE	3581.81	3486.30	3481.76	3481.76	-95.05
FTSE	3581.81	3486.30	3481.76	3481.76	-95.05
FTSE	3581.81	3486.30	3481.76	3481.76	-95.05
FTSE	3581.81	3486.30	3481.76	3481.76	-95.05
FTSE	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

NETHERLANDS (Aug 29 / FF)

(4 pm close)

Symbol	High	Low	Open	Close	Change
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

SPAIN (Aug 29 / Ptas)

(4 pm close)

Symbol	High	Low	Open	Close	Change
IBEX	3581.81	3486.30	3481.76	3481.76	-95.05
IBEX	3581.81	3486.30	3481.76	3481.76	-95.05
IBEX	3581.81	3486.30	3481.76	3481.76	-95.05
IBEX	3581.81	3486.30	3481.76	3481.76	-95.05
IBEX	3581.81	3486.30	3481.76	3481.76	-95.05
IBEX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

PORTUGAL (Aug 29 / Esc)

(4 pm close)

Symbol	High	Low	Open	Close	Change
BVLX	3581.81	3486.30	3481.76	3481.76	-95.05
BVLX	3581.81	3486.30	3481.76	3481.76	-95.05
BVLX	3581.81	3486.30	3481.76	3481.76	-95.05
BVLX	3581.81	3486.30	3481.76	3481.76	-95.05
BVLX	3581.81	3486.30	3481.76	3481.76	-95.05
BVLX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

FINLAND (Aug 29 / Mk)

(4 pm close)

Symbol	High	Low	Open	Close	Change
HEX	3581.81	3486.30	3481.76	3481.76	-95.05
HEX	3581.81	3486.30	3481.76	3481.76	-95.05
HEX	3581.81	3486.30	3481.76	3481.76	-95.05
HEX	3581.81	3486.30	3481.76	3481.76	-95.05
HEX	3581.81	3486.30	3481.76	3481.76	-95.05
HEX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

IRELAND (Aug 29 / Pts)

(4 pm close)

Symbol	High	Low	Open	Close	Change
ISEQ	3581.81	3486.30	3481.76	3481.76	-95.05
ISEQ	3581.81	3486.30	3481.76	3481.76	-95.05
ISEQ	3581.81	3486.30	3481.76	3481.76	-95.05
ISEQ	3581.81	3486.30	3481.76	3481.76	-95.05
ISEQ	3581.81	3486.30	3481.76	3481.76	-95.05
ISEQ	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

NETHERLANDS (Aug 29 / FF)

(4 pm close)

Symbol	High	Low	Open	Close	Change
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

NETHERLANDS (Aug 29 / FF)

(4 pm close)

Symbol	High	Low	Open	Close	Change
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

NETHERLANDS (Aug 29 / FF)

(4 pm close)

Symbol	High	Low	Open	Close	Change
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

NETHERLANDS (Aug 29 / FF)

(4 pm close)

Symbol	High	Low	Open	Close	Change
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

NETHERLANDS (Aug 29 / FF)

(4 pm close)

Symbol	High	Low	Open	Close	Change
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05

EUROPE

NETHERLANDS (Aug 29 / FF)

(4 pm close)

Symbol	High	Low	Open	Close	Change
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05
AEX	3581.81	3486.30	3481.76	3481.76	-95.05

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COMPANIES AND FINANCE

Telefónica ahead 17.4% at halfway

By David White in Madrid

Telefónica, the Spanish telecommunications group, yesterday reported a 17.4 per cent jump in first-half net profits to Ptas4,42bn (€55m), making it the country's most profitable company.

The increase was slightly below analysts' forecasts but stronger than the 15.7 per cent earnings growth seen in the first quarter. It comes after a strategic alliance with British Telecom and MCI, its US partner.

Under the deal, BT and Telefónica committed themselves to taking shareholdings in each other to the value of Ptas5bn - equivalent at the time to about 2 per cent in the Spanish company and 1 per cent in BT. The companies have denied rumours that BT would take a larger stake.

The first-half figure reflected strong growth in revenues from its Latin American interests and its mobile phone business. The group said this showed it was diversifying its revenue sources away from fixed-line telephone business in Spain, where its monopoly is set to disappear with the start-up of Retevisión, a competitor controlled by Stet of Italy and Endesa, the Spanish electricity group.

Turnover climbed 17.5 per cent to Ptas1,423,35bn. Revenues from basic telephone services rose 12.5 per cent, and Latin America provided growth of almost 37 per cent, helped by holdings in Chile and Peru.

The share of revenue from Telefónica Internacional (Tisa), its Latin American offshoot, advanced to more than 17 per cent, compared with 15 per cent a year ago. Mobile phone revenues expanded even faster, at almost 55 per cent.

Although the number of



Juan Villalonga, sealed alliance with British Telecom and MCI, its US partner.

fixed lines in service in Spain grew at less than 3 per cent to 18.43m, foreign affiliates provided growth of almost 22 per cent, reaching 10.85m lines.

The number of Telefónica's cellphone clients in Spain rose 78 per cent to 2.71m, and 140 per cent overseas to 1.45m.

The company is poised to take full ownership of Tisa, buying the 23.8 per cent stake held by the Spanish government for Ptas127bn.

The overseas arm is at the centre of the alliance with BT and MCI, with an option for the US company to take a 10 per cent stake in Tisa. However, Telefónica said yesterday it had no plans to sell any of the shares.

Agreement on the price for the state holding follows an international tender in which the government allowed Telefónica to match the highest bid.

No other offers were received by the closure date of August 19.

The deal has aroused political controversy. The opposition Socialists accused the government of giving favourable treatment to Telefónica after initially saying it would seek competitive terms.

Philips settles Grundig dispute

By Gordon Cramb in Amsterdam and Andrew Fisher in Frankfurt

Philips, the Dutch electronics group, yesterday extricated itself further from the problems surrounding Grundig by settling a dispute over the extent of losses at its German former associate.

The deal came as the Bavarian state government rallied an unidentified consortium of local investors to take a stake of at least 43 per cent in Grundig, in

an attempt to secure its future.

Grundig, which makes consumer audio and video products, is based near Nuremberg, in the northern part of the German state.

The shareholding is being sold by Bots & Company, a London investment bank which last month bought a 26.6 per cent stake from Philips and a further stake held by Hohenstaufen, a German institution.

Philips retains 5 per cent of Grundig, with an option to sell this to the new con-

sortium in three years.

The Bavarian economics ministry in Munich said the settlement with Philips provided a favourable basis for Grundig's future. It was worked out by the companies in two rounds of talks at Philips' Eindhoven headquarters last month involving Otto Wiesheu, the Bavarian economics minister.

Industry observers said the Munich-based bank Bayerische Vereinsbank could be involved in the investor group, which is still being completed.

The two electronics manufacturers said they had agreed that Philips would pay DM400m (\$222.6m) compensation for having abandoned a management contract at the beginning of the year. The figure includes DM225m already handed over.

Philips cut Grundig loose after Cor Boonstra, the parent's new president, said he would no longer cover losses at the offshoot.

Grundig also said yesterday that it had reduced first-half loss from DM178m last

time to DM69m. Its goal of bringing the loss below DM100m for the full year was still attainable, Pieter de Jong, chairman, said.

Grundig expects full-year turnover of about DM2.9bn. First-half sales were DM1.37bn, down 5 per cent.

The German company remains reliant on Philips for component supplies, which Mr de Jong said were worth DM700m to DM800m a year. Philips, while describing the figures as a little high, pledged to maintain that role.

Thyssen sells mobile telephony holding

By Peter Norman in Bonn

Thyssen, the German steel and engineering conglomerate, yesterday sold its stake in E-Plus, the country's third largest mobile phone company, sharply reducing its involvement in telecommunications.

The 30.125 per cent stake will be transferred to o.tel.o, a recently created independent telecoms group, giving it a majority holding of 60.25 per cent in E-Plus. o.tel.o is a subsidiary of Veba and RWE, which negotiated the deal with Thyssen.

o.tel.o will pay DM2.26bn (\$1.3bn) for the E-Plus stake, valuing the business at DM4.5bn. E-Plus has DM4.5bn of debt, including a DM613m shareholder loan from Thyssen which will be taken over by o.tel.o. As a result, Thyssen will obtain a cash inflow of nearly DM2.5bn from the deal.

The sale followed protracted negotiations over the price. SBC Warburg, the Swiss investment bank, was appointed to act for Thyssen after Veba offered far less than the DM3bn being sought.

Yesterday's surprise announcement came shortly before a planned auction of the E-Plus stake at which several non-German telecommunications companies were expected to bid.

Both buyers and sellers expressed satisfaction with the deal. Control over E-Plus puts o.tel.o on a par with other German independents such as Mannesmann Arco and Viag Intercom in the mobile phone sector.

It should enable o.tel.o to co-ordinate better its mobile and fixed telephone networks, so increasing its capacity to compete with Deutsche Telekom after the German market is liberalised in January 1998.

Analysts said the deal may also help o.tel.o find a foreign partner to replace Cable and Wireless of the UK, which pulled out of the venture.

Workers the key to Enersis fate

A group of employees must decide whether to accept a bid for the Chile utility

By eight o'clock tonight in Santiago, Endesa, Spain's state-owned electricity company, will know whether it has pulled off the biggest corporate acquisition in Chile by buying a controlling stake in the electricity group Enersis.

Its fate will be decided not by highly-paid bankers, but by a small group of worker-shareholders.

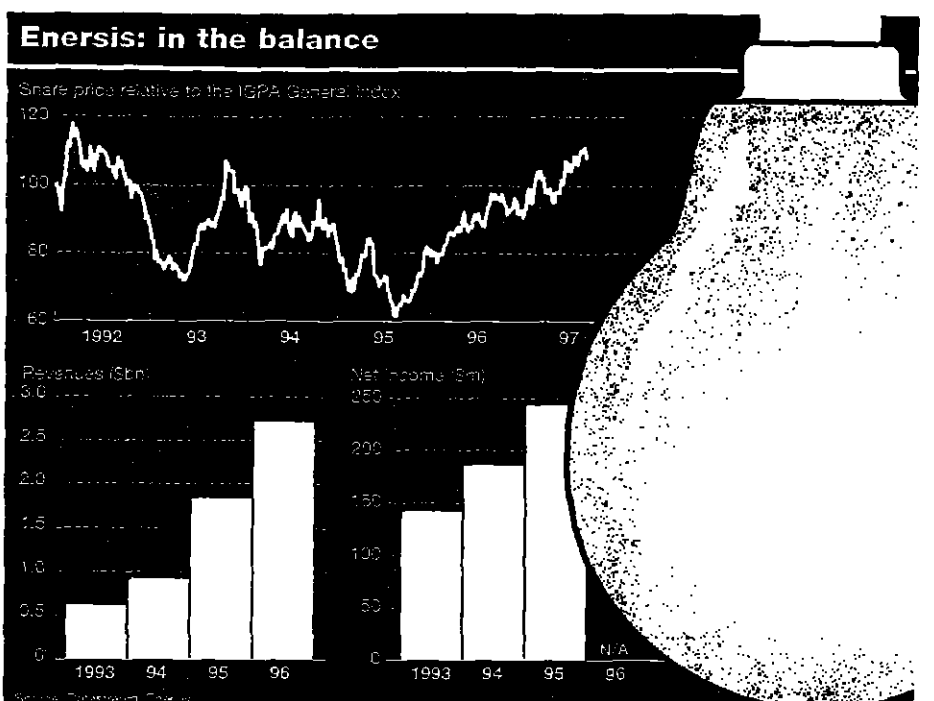
Some 300 Enersis workers are majority shareholders in four so-called Chispas ("sparks") - public investment companies that collectively own the single largest stake in Enersis.

Endesa is bidding \$1.2bn to buy the Chispas' holdings - and that of another, similar institution - which together would give it almost 30 per cent of Enersis. So the agreement of the worker-shareholders is vital to the success of Endesa's tender offer, which expires tonight.

Victor Hugo Cañete, a trade union official in the company, has no doubt that virtually all the members will take up the offer - in spite of distinctly ambivalent feelings over the price they have been offered.

"It's a good deal," he says, "even though it's not a fair one."

The fairness issue is one of price. The Chispas worker-shareholders, who hold A-shares, are being offered 280 pesos a share. But a



group of 14 senior Enersis executives will receive 190,000 pesos per share for their Chispas B-shares.

The reason is that the limited-issue B shares hold control over the Chispas boards of directors. As one worker put it: "Sure, we all got a golden egg, but [the executives] got the golden goose."

The worker-shareholder stakes date back to 1985. However, for several years they gave little benefit.

When the Chispas eventually went public in 1992, the shareholders started to receive regular dividends, worth annually the equivalent of three monthly pay packets.

Since then, they have not only seen the value of their investment grow - by at least 10 times the original value, says Mr Cañete - but they have been able to sell them on the open market.

Mr Cañete guesses that, at most, 20 per cent of the original 2,316 workers who bought shares still hold them. Those are the 300 or so who are now having to decide whether they are being offered a fair price.

Henry Rudnik, analyst at CB Capitales, a Santiago brokerage, says Endesa should be paying 320 pesos, not the 280 which the workers are being offered. Ordinary Chispas shareholders have been offered 220 pesos.

Imogen Mark

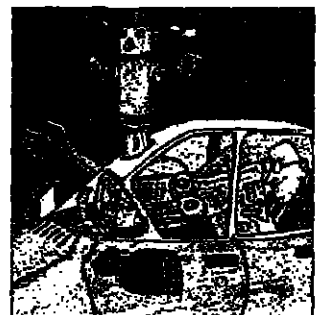
FT/S&P ACTUARIES WORLD INDICES

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REGIONAL AND COUNTRY MARKETS													WORLD INDEX												
Flowers in parentheses show number of this index													Flowers in parentheses show number of this index												
THURSDAY AUGUST 28 1997													WEDNESDAY AUGUST 27 1997												
US Dollar Index	Day's Change %	Pound Sterling	Yen	DM Index	Local Currency	% chg vs US\$	Gross Div. Yield	US Dollar Index	Day's Change %	Pound Sterling	Yen	DM Index	Local Currency	% chg vs US\$	Gross Div. Yield										
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Australia (76)	227.55	-0.5	208.89	170.42	212.51	205.48	0.1	3.74	228.75	210.47	171.85	215.30	205.27	243.87	200.17	206.17									
Austria (25)	195.48	0.8	178.45	148.40	182.58	182.49	0.0	1.80	193.85	178.43	145.70	182.53	182.45	206.00	174.70	181.47									
Belgium (28)	235.59	0.0	216.27	176.45	220.02	215.49	-0.8	3.17	235.56	216.83	177.05	221.81	217.30	261.11	213.92	217.55									
Brazil (60)	271.50	-3.2	249.24	203.35	253.56	245.39	-3.3	1.35	280.63	258.20	210.83	284.13	263.92	322.44	177.95	179.24									
Canada (109)	212.89	-0.5	195.44	158.45	199.35	213.34	-0.5	1.73	212.85	196.78	158.45	199.37	216.55	224.03	182.51	184.36									
Denmark (22)	380.35	0.3	358.31	292.35	384.55	383.10	-0.5	1.51	386.20	358.10	292.41	386.32	384.98	421.25	317.47	321.04									
Finland (28)	281.94	0.0	268.00	218.55	272.55	263.33	-0.8	1.95	282.03	268.69	219.40	274.86	333.04	314.05	205.98	212.56									
France (88)	222.30	-0.5	204.07	169.49	207.81	210.88	-1.3	2.50	223.41	205.55	167.84	210.27	213.67	237.57	187.42	191.04									
Germany (109)	222.30	-0.5	204.07	169.49	207.81	210.88	-1.3	2.50	223.41	205.55	167.84	210.27	213.67	237.57	187.42	191.04									
Hong Kong (28)	271.50	-3.2	249.24	203.35	253.56	245.39	-3.3	1.35	280.63	258.20	210.83	284.13	263.92	322.44	177.95	179.24									
Indonesia (27)	148.92	-7.3	134.80	108.82	136.94	128.95	-4.3	2.42	158.20	145.56	118.86	148.80	280.96	254.90	146.82	151.49									
Ireland (17)	289.77	0.5	268.00	218.55	272.55	263.33	-0.8	1.95	282.03	268.69	219.40	274.86	333.04	314.05	205.98	212.56									
Italy (88)	222.30	-0.5	204.07	169.49	207.81	210.88	-1.3	2.50	223.41	205.55	167.84	210.27	213.67	237.57	187.42	191.04									
Japan (109)	222.30	-0.5	204.07	169.49	207.81	210.88	-1.3	2.50	223.41	205.55	167.84	210.27	213.67	237.57	187.42	191.04									
Korea (28)	271.50	-3.2	249.24	203.35	253.56	245.39	-3.3	1.35	280.63	258.20	210.83	284.13	263.92	322.44	177.95	179.24									
Malaysia (107)	222.30	-0.5	204.07	169.49	207.81	210.88	-1.3	2.50	223.41	205.55	167.84	210.27	213.67	237.57	187.42	191.04									
Mexico (27)	171.93	-2.7	157.41	128.56	160.08	145.00	-2.5	1.54	175.04	160.32	128.56	160.08	145.00	164.38	113.59	131.08									
Netherlands (19)	281.94	0.0	268.00	218.55	272.55	263.33	-0.8	1.95	282.03	268.69	219.40	274.86	333.04	314.05	205.98	212.56									
New Zealand (14)	281.94	0.0	268.00	218.55	272.55	263.33	-0.8	1.95	282.03	268.69	219.40	274.86	333.04	314.05	205.98	212.56									
Norway (41)	321.88	1.2	295.44	241.04	300.56	324.82	0.3	1.89	317.33	292.52	238.68	288.24	323.60	330.72	248.20	251.07									
Philippines (22)	110.41	-8.2	101.36	82.69	103.12	105.58	-8.2	1.25	121.63	111.91	91.38	114.48	181.42	214.07	110.41	205.58									
Singapore (25)	309.84	-6.4	284.25	231.91	288.18	217.46	-8.4	1.45	300.90	284.45	248.60	311.44	229.80	448.01	309.84	402.02									
South Africa (40)	340.22	-0.1	312.36	254.03	317.77	349.65	0.0	2.46	340.57	313.56	255.07	320.55	349.49	370.12	301.49	335.87									
Spain (28)	248.92	0.5	225.82	182.69	227.80	229.50	0.5	2.37	242.92	222.23	182.28	228.35	251.44	278.05	170.01	179.89									
Sweden (40)	482.61	-0.4	443.04	361.45	450.72	558.80	-1.2	1.84	484.63	445.90	384.10	458.13	565.62	512.39	358.30	364.00									
Switzerland (33)	288.39	-5.2	262.91	214.49	267.48	263.38	-3.4	1.26	283.67	270.20	220.63	276.40	272.57	329.50	231.69	252.98									
Thailand (40)	40.85	-6.2	37.30	30.39	38.15	53.94	-5.2	5.72	43.07	38.63	32.36	40.53	56.61	146.89	40.85	148.59									
United Kingdom (213)	268.13	-1.0	258.87	200.77	267.77	262.87	-1.2	3.52	311.11	288.04	233.73	282.81	288.04	325.29	244.64	247.81									
USA (88)	267.81	-1.0	258.87	200.77	267.77	262.87	-1.0	1.68	311.11	288.04	233.73	282.81	288.04	325.29	244.64	247.81									
Americas (819)	267.81	-1.0	258.87	200.77	267.77	262.87	-1.1	1.68	311.11	288.04	233.73	282.81	288.04	325.29	244.64	247.81									
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Europe (713)	267.81	-1.0	258.87	200.77	267.77	262.87	-1.1	1.68	311.11	288.04	233.73	282.81	288.04	325.29	244.64	247.81									
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Europe (71																									

WEEKEND

AUGUST 30 / AUGUST 31 1997



Smart car

'Ralph the robot had a tendency to head for the exits on the nine-day Pittsburgh-San Diego haul'



Close relations

'By the standards of the other great apes, sexually we are the weirdest creatures in the animal kingdom'



A nation on the move

'For many Geordie males, football is the Geordie totem, with Newcastle United as agent of God's grace or wrath'



Here, where Europe meets Africa - but not quite - is one of the great crossing points of history. Arabs and Berbers streamed over 1,200 years ago, bringing a civilisation that lasted seven centuries

Martin Gurnsey

Dire straits of Eden

The pursuit of a European paradise is prompting North Africans to risk all at sea. David White sails with a police patrol

It has already been daylight for two hours when the Spanish patrol launch gives up the search and puts back into Algeciras, in the bay across from Gibraltar.

All night the Guardia Civil crew has been scouring the strait, with lights doused, for two small boats spotted leaving Ceuta, a piece of Spanish territory on the Moroccan coast. Either the boats turned back or overturned, or else another 50 or so North Africans are now making their way through Spain, carrying no documents or possessions, in pursuit of the paradise that is their vision of Europe.

Here, where Europe meets Africa - but not quite - is one of the great crossing points of history. Arabs and Berbers streamed over 1,200 years ago, bringing a civilisation that lasted in the Iberian peninsula for more than seven centuries. In Spanish, the very word "Moors" - *moris* - still harbours dark connotations. Popular festivals in Mediterranean Spain feature re-enactments of Moor-bashing by Christians. "Moors on the coast" is a way of saying watch out.

The nearest land-point, Tarifa, on the southernmost tip of Europe, takes its name from an 8th century Moorish warrior. Here the Moors' armies first crossed into Spain. Algeciras, which they fortified, has been Moorish for half its existence. These days, it is a transit centre for backpackers venturing south. North African émigrés on home visits to curious relatives, and would-be migrants trying to escape poverty and breach the bureaucratic walls of the European Union. Since last year more than 2,000 boat people have been intercepted between here and Cádiz. Another 4,000 undocumented migrants have been detained just in Cádiz province. Local Guar-

dia Civil chiefs admit that many more get through, often headed for France. For here, at the southern tip of the continent, is the Third World's frontier with the Europe which, post the Schengen agreement, offers passport-free entry to all EU countries except Denmark, Ireland and the UK. Once over the frontier, the roads are open - although still hazardous - all the way to the Netherlands.

The Strait of Gibraltar, between the Atlantic and the Mediterranean, is Europe's Rio Grande. This is where the North faces the South, closer than England is to France, less than nine sea-miles across at the narrowest point, a funnel for treacherous currents and strong winds. Beneath it lies a pipeline pumping gas from the Algerian Sahara and a high-tension cable for supplying electricity to Morocco. On the surface, crossing the shipping lanes, the two main exports going north are both clandestine: drugs and people. There has always been a trickle of migration from northern Morocco, where Spain had a protectorate until 1966. But the flow has taken on significant proportions only in the past five years, especially the last two. The Spanish, acting now as the EU's sentries, have tightened their guard. And a lucrative business has grown up in beating it. The boats used are all of a type - heavy, wooden, shallow-bottomed, 6-8 metres long, with a single outboard motor. In Spanish they are called *pateras*, until recently just a local fishermen's term, now a synonym for illegal immigration. The operators run a tidy business. They all carry mobile phones. Big enough for about 10 passengers in safety, the boats take 25 to 30 at a time, sometimes more. Nobody

knows how many have capsize, but the deaths run into hundreds. In June, 23 bodies from one boatload washed up at Tangier. The map on the Guardia Civil commander's wall in Algeciras marks four zones of the northern Moroccan coast used for departures, including Ceuta. Each has its fleet of *pateras* and fixed routes to points on the Spanish coast. For Tarifa, aim for the lighthouse, then follow the neon service-station sign and you land on the wind-surfers' beach. But a Moroccan police clampdown has forced the business to use departure

points further afield - down the Atlantic coast at Asilah and Larache, or Nador in the east. From there, it is a day and half's crossing. In Tangier, tourists recruit customers arriving by train. Certain hotels near the port and in the old centre are known as contact points. The prospective migrants are almost all men under 30. Fares run at \$800 to \$1,000. Elsewhere they can be lower, \$400 to \$700 - in any case, several months' wages for most Moroccans. People sell family belongings to pay the price. Sometimes they are swindled. Stories abound of boatloads taken out at night and landed at another part of the same Moroccan coast. The passengers, thinking they are in Spain, are told to run for the hills. Some secure passages on Spanish or Portuguese fishing-boats, or set off by themselves. Three men were picked up off the Spanish coast recently after rowing across on an inflatable mattress. On beaches near Tangier, pedalo rentals have been banned. Others get across by the regular car-ferry - easiest at this time of year when about 800,000 expatriates are returning to the EU after summer visits to their North African homes. One man was found hiding in the motor compartment of a Renault van. In Tangier port, there are always people waiting to sneak into a truck, and always someone to close the tarpaulin behind them. "I've tried 12 times," says Mohamed Haraj, 23. He thinks anyone who pays for the trip in a dinghy is crazy. He calls it "trying death". He works as a mechanic on a fishing boat. When the swordfish are running his share can bring in \$120 to \$150 a trip. But for the rest of the year he gets a basic \$40 a month. In his dozen attempts, Haraj has only once made it out of Tangier port. He first tried when he was 19, hiding all night with three friends in the back of a truck. But the truck never left. The one time he reached Algeciras, he made the mistake of leaving the truck and climbed out in the port, was stopped by police, held overnight and sent back on the same ferry. "I was an ass. I had it in my head I would go first of all to eat, because I was hungry. I would go and clean up in a cafe. Then I would look for work." Migrants rarely take anything with them. The first thing they leave behind is their identity papers, to avoid a police record. The Guardia Civil says they often give false names and nationalities when they are picked up. They may wear a

track suit on top to keep their clothes clean, throwing it away on arrival. "If you take 10 things," says Haraj, "you'll never get there." Spanish and French authorities have also been investigating cross-frontier networks. On the other side, they know that contacts arrange transport, sometimes by taxi or motor-bike, to farms in the Valencia region or the hothouse nurseries of Almería. In March, 11 North Africans died in an accident just south of the border, packed in a truck-load of bottles. Fake papers are expensive and often bad. The asking price can be as much as \$3,000. For Haraj, it is a self-evident economic rule: "The more controls there are, the more the price goes up."

The migrants include sub-Saharan Africans, but the bulk are Moroccans and Algerians. Their most obvious destination is France, but many stay in Spain. "France is hard - too many controls," says one deportee. The resident communities in Spain are relatively small - just over a total 80,000 Moroccans and Algerians, compared with 1m in France. But concentrations have built up in areas such as the Costa Brava, provoking outbreaks of racism. Surveys show prejudice against Arabs in Spain is greater than against any other ethnic group except gypsies. Spain has set an overall quota of 5,000 new work permits for immigrants this year, although officials say the number may increase next year. Last year the government gave people with lapsed permits four months to "regularise" their papers. Misunderstood, the measure provoked a flood of new arrivals. For Spain, a nation of emigrants up to the 1970s, it is a curious inversion of roles. "It's painful to see," says Guardia Civil captain Flo-

rencio Pérez. "You have to realise these people are not criminals." He says this even though some migrants carry consignments of hashish, to cover the cost of their trip. But in general the two kinds of traffic operate separately from each other. A gang is either running drugs or *ile-gales*. Control is not easy. The Guardia Civil has five patrol boats in Algeciras, covering 80km of mainland coast and

the waters of Ceuta, backed up by helicopters from Cádiz and Seville. But the wooden *pateras* are hard to identify on radar at more than a couple of miles. They set out in rough conditions, assuming, usually correctly, that patrol boats will not. Guardia Civil crews have been aware for some time of being monitored from land, at least by the drug gangs, who call the patrol boats *Heinekens* because of their green-

and-white livery. At the approach of a patrol vessel, a *patera* will turn off its outboard. Sometimes the two boats sit bobbing in the dark, in silence. A favourite drop-off point is a steep bit of coast just west of Algeciras, topped by dense scrub which acts as a screen against helicopters. "Sometimes we can hear voices," says Pérez, "but we can't get at them."

The Spanish and Moroccans supposedly co-operate but no tip-offs have been received from Moroccan police or customs. The Tangier authorities rarely publicise incidents, or do so late. It is, after all, a poor advertisement for a young and increasingly urban society when thousands see no better prospect than to entrust their lives to an open boat. Most have a destination and a vague idea what they might do. They carry phone numbers - a friend in Perpignan, a sister in Brussels, or a baker in Toledo who may have a job going. Families often encourage the move, seeking the security of money remitted from abroad. The minimum factory wage in Morocco is about \$170 a month. In Spain, it is 2½ times that. In France seven times. Morocco has an association deal with the EU, linked to aid and designed to remove trade barriers, but many fear it will have a tough time trying to compete. Haraj, the frustrated voyager, does not reckon Europe should simply open its frontier ports. "Everybody in Morocco would want to leave. Even the old people say that."

From Tangier, Europe is tantalisingly close. Spanish and French television is beamed here. On clear days you can see across the strait. North is the only way to look. Hope for Moroccans lies in how far they can separate themselves from the rest of Africa. "This isn't going to stop," say Guardia Civil officers in the front line in Algeciras. The border controls seem little more than a gesture against an irresistible movement of humanity, history in motion.



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The Nature of Things
Thanks for the memory
'I know the names and faces of all my colleagues but I cannot always say which name goes with which face'
Page II

True Fiction
Down the aisle
'Some people go to singles bars in their search for a mate. But I go to Marks and Sparks'
Page XXII

stop for intelligence
trope

00 610

PERSPECTIVES

Minding Your Own Business

Forging one enterprise from another

Ironmongery took over from ventilation, says Clive Fewins

From renovated farm buildings at the end of a narrow lane in a bucolic corner of Devon, Peter Watts' company sells a range of nearly 2,000 items of architectural ironmongery to designers, manufacturers and distributors throughout the world.

However, metal-bashing is a minor part of the operation. "We are designer-led - not a manufacturing company," says Watts, a former banker.

In 1981, Watts, now 42, left Barclays bank to join a hardware distribution company run by his brother-in-law in Somerset. Three years later he teamed up with a friend from university, Mark Frater, to form Clayton Munroe, a title they derived from family names on both sides.

Today the company is best known for its two ranges of steel window and door furniture and cabinet fixings. One range is shiny, rather fancy, imported from France and aimed at furniture manufacturers and designers. The other is in traditional black metal, and appeals in particular to the North American market. Both ranges are available by mail order worldwide. Turnover in 1997 is expected to top £1m for the first time, and profits to be around £51,000.

In 1984, when the pair started the business on initial capital of £50 each and a £5,000 overdraft, the intention was to plug a gap in the market for high quality architectural hardware.

Ironically, the two found that the easiest means of generating cash with which to build up the product range was to take over from Watts' brother-in-law his agency for the distribution of ventilation fans and ducting systems throughout the west of England. "Healthy volume sales of this equipment made us think that this was a good base from which to move into what really interested us - developing the architectural ironmongery," Watts says.

In 1985 Watts moved from Glastonbury, where he had worked at a branch of Barclays, and Frater resigned from teaching in a local school. They rented a small office in Totnes.

But the decision to switch from ventilation equipment and concentrate all their efforts on the ironmongery was forced on them.

"In 1989, turnover totalled £355,000 and we had been making a steady net profit of around 6% per cent overall for the previous few years," Watts says. "However, that year we began to notice that



Peter Watts: 'I had a feeling we were in for a bumpy couple of years, but it would be a controlled bumpy ride'

some of our customers in the building trade started owing us large amounts of money. "Our bank was happy to increase our overdraft to £55,000, and at one stage it rose to £72,000 on a turnover of £300,000. However, I became edgy. Although the loan was covered by both our houses, according to strict banking principles the bank - Lloyds - was exposed. I had a feeling we were in for a bumpy couple of years, but it would be a controlled bumpy ride."

Bumpy it was, but far from controlled. In 1991, interest rates kept rising, building sites all over the country closed and Watts and Frater found orders for ventilation equipment grinding to a halt.

"A lot of the companies we had been supplying just shut down. Excuses for not pay-

ing turned into letters from receivers and bad debts rose to £50,000. We had been caught with our pants down and it all boiled down to credit control."

Instead of calling in the Receiver to Ventilation Systems Supplies - it had become a separate company in 1990 - Watts and Frater remortgaged their houses and battled on.

"The bank was still willing to lend to the ironmongery company so we found ourselves with a complete about-turn," said Watts. "Clayton Munroe, which had always been viable, though less profitable, was propping up its sister enterprise."

The pair finally wound up the ventilation company in March 1994.

After that company had paid off its debts, it still owed £25,000 to Clayton Munroe. This was mainly for rent of space at the Clayton Munroe headquarters since 1988 - the converted farm buildings on a country estate three miles from Totnes.

As a result of this, in 1995 Clayton Munroe made a loss of £11,500 on a turnover of £644,000. The year before had seen a net profit of £20,000 on a turnover of £503,000.

Since then things have improved, with a net profit of £16,500 on a turnover of £843,000 in 1996. One of the main reasons has been the successful use of debt factoring - paying a commercial organisation to take over debt.

"Together with the help we have received from government agencies - the Rural Development Commission, the Department of Trade and Industry and the

South Devon Businesslink - factoring has been a crucial feature in our recovery in the past few years," Watts says. "It kept our cash flow healthy."

In recent years the company has increased the amount of forge work it carries out on its range of black iron hardware, which accounts for 15 per cent of sales. "We are not natural manufacturers. To an extent this has been forced upon us in order to make our products distinctive from other ranges," Watts says.

Three of the 16 staff work in the forge. The rest work as assemblers - the products are sourced mainly from the UK, France, Germany and Scandinavia - in design, purchasing, warehousing, telexes and despatch.

"Since 1995, when we produced our mail order operation with the support of a £25,000 grant from the Rural Development Commission, 30 per cent of our turnover has come from our own range," says marketing director Jane Nelson.

The company has also recently negotiated a £100,000 loan under the government's Small Firms Loan Guarantee scheme. This has enabled Clayton Munroe to purchase metal finishing equipment, go to trade and consumer exhibitions and conclude an arrangement with a distributor to handle their products in the US.

The loan has also enabled the company to build up stock, currently valued at about £250,000. "Previously we had an appalling reputation for delivery, but not now," says Watts.

The other side of the coin has been the departure ear-

lier this year of Frater. "We are rapidly achieving the transition from cottage industry to professional management. Mark could not go along with this plan to change the company so fundamentally, so I bought him out," says Watts.

A new director, Mark Waterhouse, has arrived whose brief is to concentrate on overseas sales, especially in North America and the Middle and south east Asia. The aim is to achieve a turnover of £5m during the year 2000.

"Through proper management we are at last equipped to cope with all the opportunities that might come our way. I sleep more soundly nowadays," says Watts.

Clayton Munroe Ltd, Kingston, Stoverton, Totnes, Devon. TQ9 6AR. Tel: 01803 762626.

I suppose my memory is about average, but it has definite strengths and weaknesses. Numbers, particularly useless ones, are a strength. I have known the speed of light in metres or miles per second for more than 30 years, but the knowledge has never been of the slightest practical use. Telephone numbers that I haven't used for decades come easily to mind and I know my national insurance number.

On the other hand, faces and names are an embarrassingly weak point. Three years after taking up my present job, I know the names and faces of all my colleagues but I cannot always say which name goes with which face.

To get into the memory's filing system, information has to pass through a separate section, called "working memory", that holds information currently in use. According to Alan Baddeley of Bristol University, working memory has several

different components that are revealed by our ability to use them separately. Working memory can receive information either from the outside world or from our main memory filing system but it cannot hold much, and it cannot hold it for long.

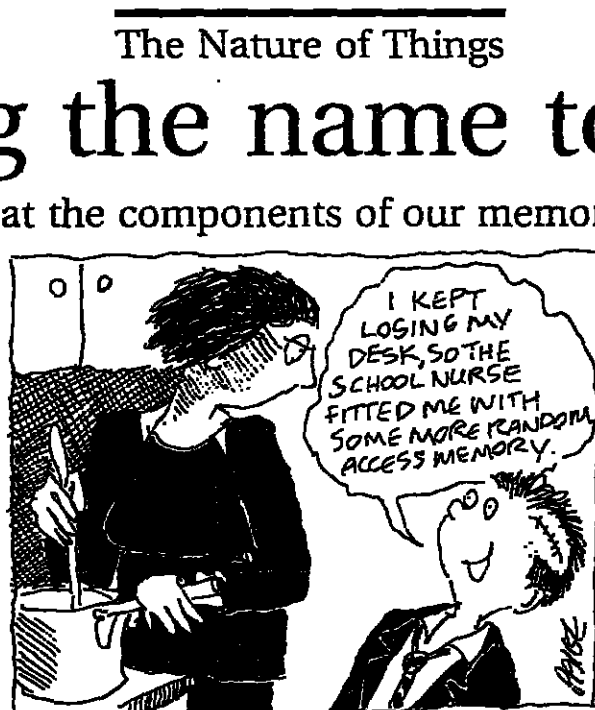
The most obvious section of working memory is the one tapped by traditional tests of short-term memory. If we read or listen to a short list of words or numbers, such as a telephone number to be dialled or a string of words to be repeated or written down, we can remember about seven or eight words.

This store is called the "phonological loop" because we file the words according to how they sound; we tend

to confuse words like cat, mat and sat, or eight, rate and gate. The tendency to confuse is the same whether we put the words into the phonological loop by reading them or by listening to them.

We lose words from our phonological loop within a few seconds unless we refresh them by repeating them silently. Read this list of numbers - 59684573 - and try to remember it while you read the next sentence aloud. You will find that when you have read to the end of the sentence you cannot repeat the list of numbers without glancing back to it.

Skilled readers can read silently and even carry out simple reasoning tasks like marking whether sentences



are true or false without disrupting the phonological loop, but saying "blah blah" silently to yourself or having somebody talk to you disrupts it.

Your phonological loop holds about as much as you can say in 1.5 seconds. Words with long syllables

like Friday and harpoon overflow the loop before words with short syllables like bishop and cricket. Welsh speakers can remember longer lists of numbers in English, even though it is their second language, because the Welsh words for numbers take longer to say.

Baddeley identifies two other components of working memory, neither of which is as well understood as the phonological loop. One, the visuo-spatial sketch pad, holds information about the shapes of objects and where they are. It probably has separate components for these two tasks, he says. We use it for analysing shapes and for tasks like steering a car or walking along a busy street.

Shapes held in the visuo-spatial sketch pad can be rotated and compared, for example, if we have to decide whether rotating the letter "p" will turn it into a "b" or a "d". We know that the sketch pad must be separate from the phonological loop because tasks that call on the sketch pad do not affect immediate recall of word lists, and because brain damage can impair one kind of task and spare the other.

The other component of working memory, the central executive, is the hardest part to pin down. It controls the sketch pad and the phonological loop and links them to the rest of the memory filing system. The central executive allows you to analyse the meaning of

simple sentences while you phonological loop is busy. If we want to remember something without having to keep it permanently at the front of our minds, we have to organise the information and link it to what we already know. People with amazing powers of memory usually have very efficient systems for making these links or associations.

Storing information can be easier than making effective links to it. We often remember a face and know that we have seen the person before but fail to remember the person's name. Indeed for me, being introduced to a person is almost a guarantee that I will fail to remember their name.

Fortunately even weak links to stored information can be strengthened by using them repeatedly. This gives me hope that one day I shall be able to address all my colleagues by name.

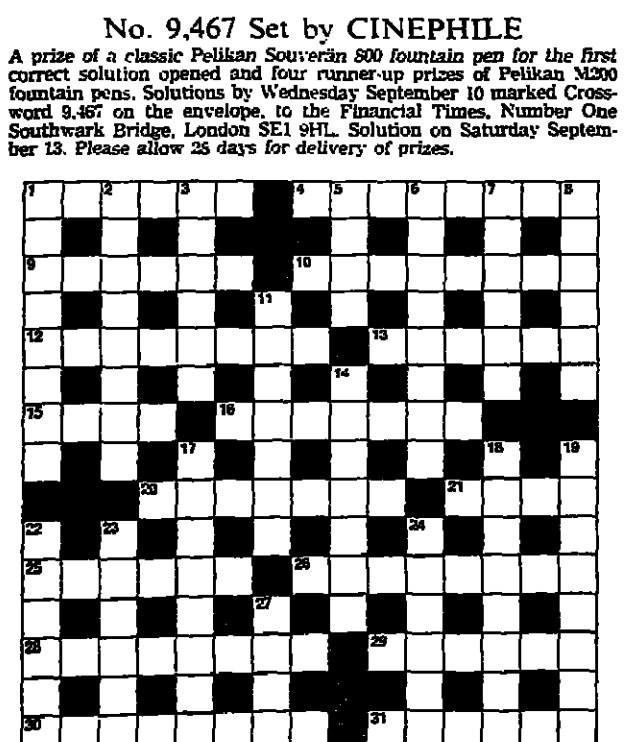
The author is professor of psychology at the University of Nottingham.

The Nature of Things

Matching the name to the face

Andrew Derrington looks at the components of our memory's short-term filing system

CROSSWORD



Name: _____
Address: _____

WINNERS 9455: A. Mackenzie, London SW9; Miss L. Bridgewater, Olivers Battery, Hants; H.J. Jolley, Athens, Greece; D. Treman, Teddington, Middlesex; P. Vandore, Edinburgh.

- ACROSS**
- NCO's excursion in the Home Counties finds the ripest fruit (6)
 - Post Office in a nervous condition having given up the faith (5)
 - Wander off having been told not to (6)
 - They resist progress, being formerly in the van (3,5)
 - Where to grow fruit coloured other than roan and grey (8)
 - Meditative word painting backed by fellow (6)
 - Parrot on its way out - on election day, we take it (4,4)
 - Put in office one measuring his height in inches? (7)
 - Desiring to mourn? (4)
 - Pole to wait with the eye of an optimist (6)
 - Old objection to sexual harassment to end human involvement (6,2)
 - Artist's concoctions for salads (8)
 - Religious person gets the ripest fruit (6)
 - Destiny, diverted east, is in the north-east (8)
 - Wander off with Scottish saint (3,1,6)
- DOWN**
- Surgeon spotted dice (8)
 - Egyptian god repeated warning to the French to excite twitches (4,4)
 - Promise of a little place on the border (6)
 - See 15
 - Indication to colleague? Very much so (8)
 - 7, 8 1914 slogan: a blenheim, and love gets to wander off (1,3,2,3)
 - Promoter of Virginia and Child after roughage (7)
 - Pay a shilling gratuity at last (7)
 - Fresh flower is heard to produce anxiety (8)
 - In a box, top hat (8)
 - Seaward pull from dune shifting right to top of waves (8)
 - 20 Team spirit gets the ripest fruit with style at home, I forgot to mention (6,2,5)
 - Person in charge to wander off (8)
 - 24 A saint to little boys? (6)
 - 27, 22 A witty piece, Jude the Obscure, gets the ripest fruit (3,1,6)

Solution 9,466

BUCHAN MONGOLIA
O A N A U R E L
L I M E I G H T A T T I C
I P V E O P H O
N E L L E N G A G E M E N T
E A I L T S V U T
S P I R I T S T R I F F L E
E N M N E A
S T R I V E D R E D D L E
S T X I S T I H
C O N T R A D I C T O R I E
Y A A A O I L E R
T U T T I P O R T E N A T E
N E O L C A T Y N
E N D A N G E R D E F E C T

Solution 9,455

S T A L I O N B O U I N G
H O R E U U P A
R E L E G A T E M A G P U R
E U E P A D O T
M A D E R L A B Y R I N T H
O I I E U
J O K E R T O P I C A L
O N N E O V
M U S T A N G S A D D L E
A C O R T E
D R I N K E R M I S E R
E S E V A U R U
A S S E R T B A L L R O O M
U E M E O D
M O I N D E C O R S E T R Y

BRIDGE

The Swiss Pairs at the Mind Sports Olympiad is added to my list of miserable days playing tournament bridge. Consigned to a sweltering corridor as a playing space and assaulted by deafening music, charmless officials and stressed competitors turned downright aggressive.

N
J 8
AKQ974
AQJ
Q6

W E
Q 7432
J65 103
K86 109743
K98752 104

S
AK10965
82
52
AJ3

North East South West
- 1S 3C
3H NB 3S NB
4D NB 4NT NB
6S

Despite my partner's weak 3C jump-overcall, the opposition made it safely to their slam. My partner found the aggressive and challenging lead of 8♠, forcing the declarer to ponder his fate at trick 1. Predictably, I was cross-examined as to the nature of my partner's over-

CHESS

Chess in last week's Mind Sports Olympiad proved eventful as a medal went to the wrong player while a game finished with both sides winning. At the end, though, victory went to the strongest as Britain's co-champions Michael Adams and Matthew Sadler took gold and silver. Adams was unbeaten with 10 wins and five draws, with Sadler a point behind. The popular format of half an hour for all moves attracted a strong entry of nine GMs and many ambitious club players and schoolboys, among them the world's youngest IM, Luke McShane, 13, who won the junior gold.

Those odd incidents? The junior silver medalist was forgotten, but a reserve medal was to hand. The double victory came in the first round when, in a nervous finish, Nick Faulks of Bermuda thought he had won on time while Alex Anislet believed he had delivered checkmate. With no other witness, the arbiter awarded both players a win, but the computer pairing program vigorously protested, so delaying the second round.

Here McShane defeats a GM and former British champion in a game where White's king is never safe

(Plaskett v McShane).

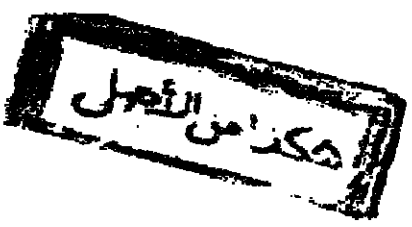
1.e4 c5 2.Nf3 d6 3.d4 cxd4 4.Nxd4 Nf6 5.Nc3 a6 6.Bg5 e6 7.Qd2 b6 8.Rxf8 Qxf8 9.f4? g5 10.g5 gxf4 11.gxf4 Qb4+ 12.Kc2 Nc6 13.N3 Qf5 14.Kf2 d5 15.Bc2 Bc5+ 16.Kc1 d4 17.Nd1 Bd7 18.N2 0-0 19.b4 f5 20.Ne5 Qe8 21.Ne3 Bb6 22.f6 Ne7 23.B5 Bc6 24.Qe2 Nd5 25.Rg1 Rg8 26.Rxg8 Qxg8 27.Rxd5 Bxd5 28.Kd2 Qc3 29.Rf1 Qc4+ 30.Kc1 Bg2 31.Rg1 B3 32.Qxg8 Qxg8 33.Nh1 e2 34.Nh2 Rxd2 35.Ressigns. If 35.cxd3 Bx5+ mates.

No 1195

Keres v Kavalek, 1968. More than 20 years after his death the classical games of Paul Keres still command interest. As White (to play) he is a pawn up, but Black's hurricane-looks impassable. How did Keres win?

Solution, Back Page

Leonard Barden



PERSPECTIVES

Peter Aspden

Try to do good, and dark forces will prevail

This is the classic liberal dilemma, well known to those who cherish, but fear for, democracy

One of the saddest figures of 20th century history was Alexander Kerensky, premier of the ill-fated provisional government in Russia for just a few hopeful months in the middle of 1917. Today he is virtually a forgotten man, an ineffectual latitudinarian sandwiched between those behemoths of modern Russian history, tsarism and soviet communism. Kerensky, by all accounts a reasonable sort of fellow, was a man out of his time. His pained posturing in support of a moderate, democratic government for Russia was destined to fail. Historical forces towered over him, mocking his attempts to drag his country into the modern age: the bloody fields of the first world war, the

single-minded architects of the Bolshevik revolution. But Kerensky's fate has a lasting symbolic value. For here was a poignant illustration of the classic liberal dilemma. This is well-known to all those who cherish, but fear for, democracy: the harder you try to be reasonable, to do good, to preach the values of tolerance and enlightenment, the harder it is to resist the dark forces lined up against you. Lenin reportedly stopped listening to classical music to concentrate his mind on revolution - his revolution; Kerensky doubtless listened to nothing but, to distract him from his fruitless travails. It might have made Kerensky the more sensitive human being, but Lenin the successful political leader. It is still a tough time for

liberals. The mocking epithets - wishy-washy do-gooders, spineless equivocators - continue to reverberate any time the body politic is in the mood to pump iron. Even the noblest causes are tinged with controversy; witness the most recent attempts of Diana, Princess of Wales to conquer the hearts and minds of the world amid the usual scathing barbs of invective. There is always, it seems, a hidden agenda. Another noble liberal cause backfired in rather more spectacular fashion this week: the attempt by John Prescod, head of Jamaica's correctional services, to prevent the spread of the AIDS virus among inmates and warders by distributing free condoms to both groups. What could be more enlightened? Epousing the

virtues of safe sex is surely equivalent to promoting world peace and everlasting global harmony. And yet, Prescod's actions had horrific consequences. Guards were furious at the implication that they were having homosexual affairs with inmates; they walked off the job, leaving unsupervised inmates to exact their own revenge over their besmirched reputations on

suspected gay prisoners. At the end of three days of rioting in the island's two maximum security prisons, no fewer than 16 inmates had been killed and many more injured as a result of Prescod's wretched safe sex initiative. Was it misguided? There is a line of argument which says that he should have anticipated such a violent response: Jamaican culture is not famously sensitive to gay rights; and the relationship between any warder and inmate is so fraught with tensions, sexual or otherwise, that his actions were bound to disturb a precarious status quo. Should Prescod have turned a blind eye? The microcosmos of prison life is not a place in which to look for the gentler values. He could just have let it be.

But there is an intriguing paradox here: for here was the well-intentioned liberal, peeping into a murky, muscular world which he would no doubt find distasteful, who failed to act with the necessary finesse and judgment. Prescod appears to have acted presumptuously, even if he was on the side of the angels. It is a salutary lesson for public policy makers. It is not enough to think you are representing the forces of enlightenment and progress if you do not judge the situation correctly. Sensitive thinking requires sensitive action. Liberals have mostly taken this lesson on board. No longer content to bask in their perceived moral superiority and preach condescendingly to the masses, they have come to terms with subtleties of presentation,

the dark arts of spin doctoring, the need to mix it with the opposition if and when required. No one illustrates this better than those two great white hopes of present-day liberalism, Bill Clinton and Tony Blair. Poor Kerensky could have learned a thing or two from these two masterfully pragmatic leaders. He finished his life in that safe haven for disillusioned dreamers, lecturing on the US college campus circuit, tucked safely away from the march of time. I can see Prescod, too, adding his sad footnote to students of the future when they try to understand the impact of AIDS on late 20th century sensibility; on how the road to hell came to be paved with free condoms. ■ Joe Rogaly is on holiday.

Interview

How to be worse than unpopular: be correct

Sir Percy Cradock, the ultimate mandarin, tells Christian Tyler of the awkward mix between morality and foreign policy

Mandarin is a label routinely applied to people like Sir Percy Cradock, the former diplomat, prime ministerial adviser and chairman of the Cabinet's joint intelligence committee. In his case, however, the word carries a special frisson. For Sir Percy is a sinologist with three tours of China duty to his credit who has been accused by his detractors of the ultimate Foreign Office crime - going native. The return of Hong Kong to China this summer was the climax of an embarrassing internal controversy. Sir Percy, formerly ambassador in Beijing and leader of the handover negotiations for Margaret Thatcher, had lost no opportunity after his retirement in 1992 to denounce the accelerated, but unilateral, democracy programme for Hong Kong devised by its last governor, Chris Patten.

History will rake over the details. Suffice it to say that Sir Percy's warnings that Patten would lose his gamble were worse than unpopular: they were correct. Patten retaliated through his friends in the press by claiming he had been the victim of a secret deal - appeasement, no less - between London and Beijing. The man who talked up a cyclone has all the appurtenances of the mandarin. His retirement house is a cottage walled in by foliage. A stone Chinese lion stands at one side of the lawn and the family cat, a Russian Blue called Bussace, sprawls on a chair at the other. Over his desk, a calligraphic printing proclaims "long life" and a Tang horse (a copy) stands in the bookcase. Sir Percy is a privy councillor and member of the Reform Club in Pall Mall. His speech is dry and deliberate, but he has a palatal "r" reminiscent of old

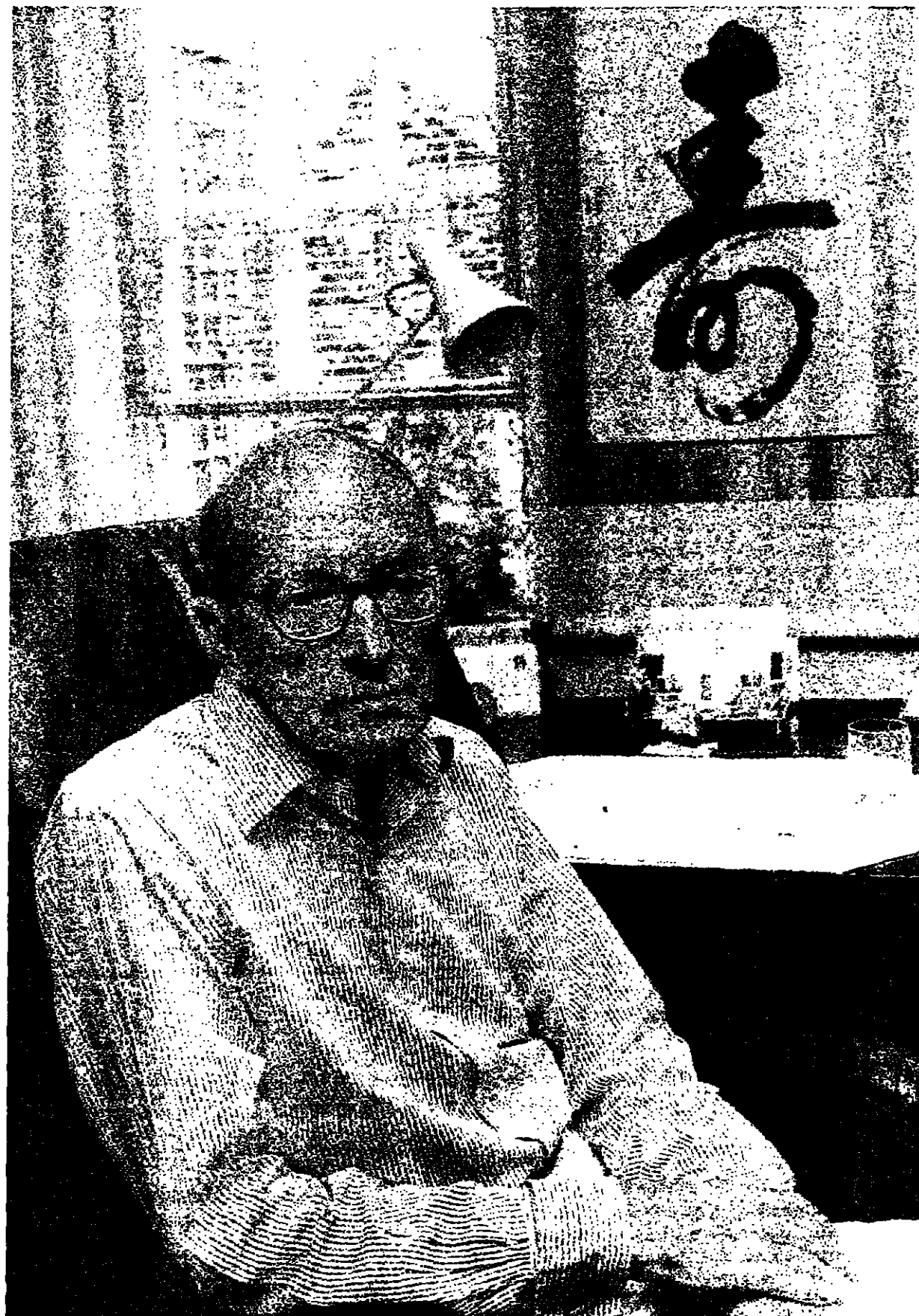
'US policy wavers between realism - the Kissinger approach - and moral denunciation'

Oxford. Indeed, a donnish aura clings to him. He got a double starred first in English and in law at St John's College, Cambridge. "I was good at examinations," he says. "It's a trick, you know," he adds, using the disclaimer that brainy students use. "I wanted to stay on as a don, and then I thought I would do Chinese, and then I thought I would be a lawyer. My problem at Cambridge was too many choices." It is easy to portray Cradock as the archetypal old-school diplomat: punctilious, deliberate and dry-humoured. It is easier still

when you hear him defending diplomacy as the art of the manageable. He said he wanted to talk about his forthcoming book, a memoir of his time as foreign policy adviser to Thatcher and John Major, and not about Hong Kong. In the event, he did talk about Hong Kong, and at some length, but in a low-key, distracted way like a man recounting a bad dream. The question I arrived with was this: can a country adopt a "moral" foreign policy? It was designed both to explore the issues behind the Hong Kong row (pragmatism versus idealism) and to test the value of the pious claim by Robin Cook, UK foreign secretary, that Labour will "make Britain once again a force for good in the world". There are common objectives, Sir Percy said, such as making the world more stable, free and prosperous.

"But it's a matter of how to get there. My view is that you are more likely to get there by accepting the world as it is. It is better to deal with it in a less confrontational, hectoring way. I don't think foreign policy can be dealt with in a mood of moral outrage, or perpetual public scrutiny. "States are not going to change because you don't happen to like their system. And they expect you to talk to them discreetly, confidentially, if you want to get anything out of them." He described American policy towards China as "momentarily right and a lot of the time wrong. They waver between realism - the Kissinger approach - and moral denunciation." The key word was "engagement". But it should be quiet engagement. "And in the course of it you can slip in a few words about [the dissidents] Wei Jingsheng or Wang Dan if you want to. But don't shout it from the rooftops. Eventually you will get movement, which leads to demands for political freedom."

The British diplomat has an easier time than his US counterpart. "He is not normally too troubled by parliamentary scrutiny, being hauled back at every moment and asked to explain himself." As for the arms trade, in which Britain is one of the world's largest suppliers, there were "no clear positions", Sir Percy said. "When Mr Cook says he is putting human rights at the very centre of his policy, he is to some extent fashioning a stick for his own back. He will find himself in some pretty fraught situations." Cook believes he can simultaneously promote human rights and British exports. When I asked Sir Percy why the Foreign Office should work for British industry at all, he replied that for a trading nation like the UK, trade and diplomacy were indivisible. But in the case of Hong Kong and China, I said, didn't commercial objectives conflict with diplomatic ones? There was a pause, and Sir Percy announced it was time to talk about the message of his book. His message is that Britain remains in decline despite Thatcher's rumbustious reign. (His character portrait of her, and the seduction scene between her and Gorbachev, are some of the best things in the book.) The UK has no clear idea of itself, or of its place in the world - in particular its place in Europe. "What do we have now?" he asked rhetorically. Well, I said, we have a strong economy. "That's right. Momentarily." But no moral fibre? "I don't know about moral fibre." So what is it we lack? "What we lack? Partly we lack education. We're ill-educated. We're becoming increasingly yobbish. We think everything should be given to us on a plate. We have got to re-tool and re-direct. It's not just a matter of external policy. Because in the end external policy is a reflection of internal strength or weakness." Credibility on the street? "Credibility. People aren't fools. Foreigners aren't fools." I asked Sir Percy why he had stuck his head over the parapet on Hong Kong. He may have been the architect of the softly-softly policy towards Beijing but it was Thatcher who endorsed it. Why be so vocal about a change of policy? "It's like someone who sees a crash about to happen," Sir Percy replied. "Most people would yell. Should you silently and respectfully wait for the crash to occur? I knew the Chinese weren't going to swallow this. Absolutely knew it. And I knew there were going to be tears before



Sir Percy Cradock: Patten decided on instant democracy, and putting two fingers up to the Chinese if they got in the way

bedtime, and that Hong Kong would be worse off." The Tiananmen Square massacre did not have a "vast" influence on policy, he said. "It was outrageous and we condemned it, naturally. But then we picked up the threads a few months later because we had to do that. We had to be able to talk to Peking if we wanted to go on helping Hong Kong. Patten decided on instant

democracy, and putting two fingers up to the Chinese if they got in the way. And it's come a cropper." Did you feel personally betrayed? "I thought we were being extremely stupid." Apart from that, did you feel betrayed? "No, no, I didn't. I thought this was folly." People who get to know a country well, I suggested,

may find it difficult to explain to outsiders without seeming to lose their western perspective. Was that why they were accused of going native? Sir Percy denied that China was difficult to explain, but he agreed it was easy to be portrayed as a supporter. Yet administrators and politicians seem destined to collide. It is a function of

their very different public service roles. Diplomats will go on seeing politicians as ignorant, impetuous and naive. Politicians will see diplomats as inbred, over-cautious - and equally naive. That is why the mandarin who thought he was only doing his duty is forever tarred with the China brush. "In Pursuit of British Interests: John Murray £15.99

Truth of the Matter

The lost hinterland of learning

Hugh Dickinson wants education that balances right-brain precision with left-brain lateral thinking

They used to call it *Litterae Humaniores* - the More Humane Studies, though more humane than what, I never really knew. At one time mathematics was about the only alternative. The curriculum was classical Greek and Latin languages, the whole of classical Greek and Latin literature, the history of the classical world and the whole of ancient and modern philosophy. Because of the weight of this syllabus, students had three years, not the usual three, to study for their degree. There is a sadly reduced cadre of enthusiasts who still follow this course. It was immensely taxing, a challenge which most of the brightest intellects eagerly accepted. Certainly a first class degree in Greats (as it is colloquially called) was a passport to the top jobs in the Indian civil service, Whitehall, the Church, edu-

cation - for any of the great institutions of the land. But that wasn't the aim of the course. Lit. Hum. inducted middle and upper class young men into a governing culture with roots going back into the Renaissance. The culture itself was gloriously rich, but it also served as the *lingua franca* of the civilised man - wise, witty and humane with a shared hinterland of learning and more than a hint of the patrician. (Women might study the same syllabus but couldn't, of course, be members of the club.) Senior officials of the Raj would study the annals of

the Roman Empire for political guidance and telegraph witty classical epigrams to one another across India. A British general campaigning with brutality to subdue a province in the north-west telegraphed home to the viceroy in Delhi the word "peccavi" - I have Sinned, and sinned. Many of these officials went on to master a dozen languages, write great histories or, in a later generation, rise to the top of the new professional elite. The education was rich and humane but as the field of human knowledge grew and spread, it became constricted and so increasingly

inhuman. The whole "two cultures" debate - science versus the arts - highlighted the classicists' arrogant ignorance of the sciences, their scorn for modern studies, their dismissive attitude to economics, politics, criminology and geography. At one famous public school in the 1920s, the science teachers were not accepted as members of the Masters' common room - they were considered to be nothing more than lab technicians. A contemporary of mine had three science lessons in the whole of his school career; dissecting the back leg of a frog. He is now

a permanent secretary. Against the modern debate about the function of university education, that old culture seems part of the lost world, as remote as the world of John Henry Newman, who declared that an important task of a university was to induct young men into the art of good conversation and to form a certain kind of character. Now education is locked into the economy; and from the age of five or earlier its task is to teach the basic skills which will provide employable cadres of young men and women for the industrial and commercial

machinery which drives the economic ship of state. The fudging of academic standards - readily admitted in private - is inevitable when the survival of a college or university depends on processing a product in a bleakly competitive market. That is a chilly environment for rational debate about the balance between skills, knowledge and character in the education of our young. How do we hold breadth and depth together? How do we train Right Brain linear precision, and cultivate Left Brain sensibility and lateral thinking, hold together the divergent imagination of the

arts with the convergent imagination of the sciences, creativity and efficiency? Oddly, that balance was once held by the old Lit. Hum. Get one letter out of place and the meaning of a Latin word is changed; get the stress wrong and the line won't scan. Absolute precision is required to master a classical language. No messing about with fuzzy spelling or faulty syntax. But what riches of poetry and imagination and architecture the languages opened up once they were mastered. And - it was supposed - classical studies formed character. Thomas Jefferson

sprinkled the landscape of Virginia with his own fine pastiches of classical buildings in the belief that the minds of American youth would be moulded by that environment to produce the noblest of Roman morality and the finest of Athenian culture in the ideal republican democracy. A nice try. That is all part of the lost world. But as we ponder the rival merits of A-Level depth versus Baccalaureat breadth, let us spare a thought for that notion of "character". It not only enhances the quality of our community life, it is also something which many managers are looking for in young recruits. We can't all be Renaissance women and men, but British education does seem to be leaving untapped vast reserves of human potential in our young people. Independent Schools: FT 500, Page XIII

PERSPECTIVES



Cyber-age in the urban theme park

The gleaming circular doors at Joypolis on Tokyo Bay rumble open for every visitor, giving the waiting crowd a tantalising glimpse of a manufactured, game-driven future. Inside is a cacophonous world of flickering images and laser signs that emphasise what you are experiencing: "Cutting Edge", "State-of-the-Art" "Stimulating".

In one corner, a bank of photo machines generate frighteningly realistic images of how one would look after a huge weight gain, sex change, or hair-loss. Couples can create photos of a "virtual baby" generated by merging their facial structures, after they have chosen the gender and race.

Like the Sony Walkman and instant cup-noodles, Japanese companies have taken an unremarkable western idea, the penny arcade, and turned it into a phenomenon. But it is different in Japan. You don't have to worry about political correctness when putting together the software for a virtual maternity ward. And you have a wealthy audience accustomed to limited space and to moving effortlessly from role to role, identity to identity, machine to machine.

Next week, a Japanese-style theme park, Namco Station, will officially open in County Hall,

The Japanese have taken an unremarkable western idea, the penny arcade, and turned it into a futuristic phenomenon. **Gwen Robinson reports as Namco Station in London prepares to open**

The Thames-side former seat of Greater London Council, where the artificial future will sit within the architectural and political past. It will be a moment to capture on film for Masaya Nakamura, who purchased two secondhand amusement rides in

These games flourish in a society with a sense of humour that is a mix of the subtle and infantile

1955, repainted them, planted them on the roof of a Yokohama department store and, for the kids, added "goldfish scooping" from plastic tubs.

His company, Namco, and its great rival, Sega, creator of Joypolis and the Sega Centre in the Trocadero complex near Piccadilly Circus, have a formula that involves a ceaseless flow of weird, whimsical and shocking

machines. Kids' corner is less important in the late 1990s arcade, where the target in Japan is the idle young adult with a significant disposable income, designer clothes and, if with partner, romantic intent.

The success of the Japanese arcade is difficult for the outsider to comprehend. The central London dive with a few Japanese cast-off machines, the built-in desperation of the down-and-outs looking for a stray 10p coin, the air smelling of stale smoke and the stained carpet with a faint whiff of urine could, of itself, be a software scenario in Japan.

Hiroshi Nakamishi, the 34-year-old concept designer for Sega's urban theme parks, is the creative brain behind Joypolis, and proudly describes it as a breed of fantasy playground that is the entertainment of the future. "I knew Sega had to transform its approach, to achieve a holistic entertainment environment; individual attractions are only elements in a certain space."

"We can't reproduce the huge theme parks so popular in the US. I wanted to create an entirely original space which could also be transplanted to places like the US... while Disneyland can give you a whole forest, a castle and a

river. I thought, we can give these to players through their minds, through sound effects, images and even smells."

The striking thing is that many aspects of the ultra-modern, ultra-urban Japanese theme parks have traditional roots. Even many of the new-age machines are based on old-fashioned ideas: the most popular games - in Japan as well as overseas - are killing and sports scenarios. The UFO catcher, a "hit" product, is a sophisticated variation on the original "goldfish scooping" contest of 42 years ago.

"Retro-future" is how Nakamishi describes this mix of old and new. "Retro" because if we only introduced high-tech things it would be obsolete in a few years, but if you choose things that still look new to us, just like Fritz Lang's *Metropolis* or *20,000 Leagues Under the Sea*, you can relate them to the future... other themes - love, surprise, fear - they're all timeless."

Freezing a frame of the timeless and turning it into an arcade machine flourishes in a society fascinated with games and fantasy, and which has a sense of humour that is a difficult-to-analyse mix of the subtle and infantile. A full dinner at a spectac-

ularly expensive *ryotei* could include guests suggesting mind-bogglingly embarrassing games to enliven the evening. Late-night Japanese television has game shows that cross the border into the barrio of the bizarre.

Even *karaoke*, now the stuff of London pubs on Tuesday and Thursday nights (£1.50 a pint), has its origins in the frustrations of the Japanese working day. It is everyman's chance to be Elvis for the night after a day near the helm of the world's largest bank or second largest car maker. It is a quick escape act in a society in which a child grows up under inordinate pressure from family, school system and office hierarchy.

As a result, Tokyo has more urban theme parks and game arcades than any other city, with at least 30 large facilities such as Sega's Joypolis and Namco's Namja Town. Outside the cities, the sprawling Japanese fantasy lands include full-scale replicas of a Dutch village, Denmark's Tivoli Gardens, a Spanish hacienda, an *Anne of Green Gables* theme park in the northern island of Hokkaido, and a whole coastline of indoor beaches pounded by man-made waves.

The urban theme park's cyber-

age sensations don't come cheap - rides and games at Joypolis range from about ¥500 to ¥800 (£2.60 to £4.20). The toughest competition is from home-use machines, which put companies under intense pressure to devise ever more original machines for

Couples can create photos of a 'virtual baby', generated by merging their facial structures

the game centre in Tokyo and, eventually, Europe and the US.

The Print Club machines, early versions of which are beginning to appear in London, have been the remarkable success of the last year. One type provides a choice of 30 or more different frames and settings, and for ¥300, produces a sheet of 16 to 20 thumbnail photo-stickers. These are swapped among friends,

stuck on calling cards, school books and mobile phones.

Like any mega-fad in Japan, new versions of Print Club are already outstripping earlier machines, which have spread from the game centre to the train station and shopping arcade. You can take many of these stickers and photo machines at face value, but you could begin to see disturbing signs in the baby-maker machines. You wonder how they will be received in China, where the obsession with a male heir is still powerful.

Each new generation of machines attracts another wave of obsessive collectors who want the entire range of formats on offer. One of the most successful developments has been a Print Club machine that puts images of celebrities in the photo, so fans appear side-by-side in the company of their idols.

Sega has just launched what it hopes will be the next craze: Aroma Club. It is an unnerving mix of hippy hangover and modern technology. These machines quiz users to find the aromatic oil best suited to their mental and physical state. A customer chooses from six categories, including "love", "refreshment" and "beauty"; then the machine asks questions to narrow down the selection. Ultimately, it produces the appropriate oil for your mind and body.

Gardening

Seasonal greetings from trees in cities

It has been a magnificent year, says Robin Lane Fox

This curious summer's violent contrasts have ended with a kind present to those of you returning from holiday. Recent heavy rains have corrected the hardening drought and made the soil wonderfully workable. Those troublesome thistles and clumps of chickweed can be pulled straight out of the soil. It is a joy to be able to extract the old enemy as you pass by, without the armoury of a special trowel.

The sticky weather has left us, meanwhile, with some spectacular sights among all the harsh words which we have had for it. It has been a magnificent year for later flowering trees and shrubs of particular nobility. There have even been flowers on the tantalising Golden Rain trees, or Koelreuterias, which promise more in photographs than they usually deliver.

In London and warmer cities, the sights of the year are the great Catalpas and evergreen Magnolias. Outside a town, the Catalpas are

far from ideal trees, although beginners are often persuaded to try them.

Nobody else will tell you that their leaves appear very late in the calendar, making them miserable specimens as your only feature on the front lawn. You may be misled by the wonderful displays of white flowers like those on Horse Chestnuts that can be seen on old Catalpas in urban neighbourhoods.

You are most unlikely to see such flowers before 10 years from the date of planting a young one. You are even less likely to see them in all but the warmer parts of the countryside, and you will have to content yourself with the late-appearing foliage.

However, this is not a poor consolation; as summer advances the Catalpa's leaves become magnificently fresh and cool. The golden-leaved form is the most popular, but the plain green looks almost as impressive and I think that I prefer it. No flowers, then, and late, but handsome leaves: these

are the assets of a Catalpa for most of us. If you want to see them in their full glory, you have to head for the shelter of the city.

Evergreen magnolias are also spectacular city-dwellers. I wonder what the tourists make of them. In southern European countries, they are used to seeing these big Magnolias as independent trees which flower in a rush by mid-summer. In Britain, they are almost always best on or near walls, but they prolong their show of flower from late July until late September.

A n old specimen, warmed by the past three summers, is a magnificent sight in many corners of the southern cities.

The varieties of Magnolia grandiflora with big flowers are by far the best. I wish I had chosen the one called Goliath, not the one with smaller flowers and narrower leaves called Exmouth. Do not expect flowers in the first six years,

but from them on, they transport you to a heaven of cool, lemon scent which no other plant can rival.

The classic shrubs for south-facing walls, but they will spread their branches on the walls of a house. I have come to hate pruning, probably out of wonder that anything will still grow well for me. Undoubtedly, my nine-year-old Exmouth Magnolia needs pruning as it blocks the light from two of the ground floor windows. I have not the heart to cut off the parts which seem most likely to produce flowers at nose-height.

Pruning does not damage these evergreen shrubs, but it persuades them to send up young, soft growth without any rapid hope of a flower. Next year, I must be hard-hearted or else I will be hidden from the world behind a screen of dark green magnolia foliage.

Against a wall, these noble shrubs remain a first choice, in a way that a Catalpa does not. If they both seem too large, try a Clerodendron



The wonderful white flowers on a Catalpa will not appear for at least 10 years

Instead, I am always surprised that these excellent small trees are relatively unfamiliar in London and still little known outside the south-west of England, where they flourish in the warmer weather.

The one to choose is Clerodendron Trichotomum Fargesii, not a very quick-growing performer but one with all the virtues. Unfortunately, it likes a deep soil

which is not too dry, exactly the opposite of my conditions at home.

In Oxford, however, it grows magnificently in a sheltered walled garden and against a south-facing wall where its roots run under paving-stones.

It is at its best, right now, a mass of starry white flowers with a delicious scent. The tree is never too tall or too wide, unlike a magnolia,

and will rest contentedly eventually at about 10ft.

As if the scent were not enough, the Fargesii form is most likely to follow its flowers with a fine show of electric-blue berries, held in dark red calyxes. The berries do not depend on the presence of a male of the opposite sex. They are encouraged by a warm summer as the small tree prepares to flower. I have high hopes

after this sultry August.

Nobody complains about the drought more than I do, but the resulting shows of flower on some of our best shrubs are one important compensation. The 1990s have been a vintage time for these superb performers. Patient gardeners who believe in global warming should certainly lay down young specimens for their future.

BOOKS

Another odyssey for Ulysses

Katherine Mullin questions the dumbing-down of James Joyce

Eve Arnold once photographed Marilyn Monroe in a swimsuit sitting on a playground of roundabout. Instead of looking come-hither into the camera, Monroe is absorbed in a novel, *Ulysses*. One cultural icon of the 20th-century balance on the knees of another, and the blonde is not so dumb.

Like Monroe, *Ulysses* inspires a cultish devotion in its fans. Those who flock to Dublin each Bloomsday, June 16, to trace the well-worn steps of Joyce's hero Leopold Bloom from pub to pub even have their own collective noun, *Joyceans*.

Few novels are so revered. Yet, as fans of Monroe recognise the many permutations of her image, so Joyceans understand that there are multiple versions of *Ulysses*.

ULYSSES: A READER'S EDITION
by Danis Rose
Picador £20, 735 pages

Since the scandalous appearance of *Ulysses* in 1922, several editions have been published, each slightly different from the others, and 1990s Joyceans now find their scandal not in the text but in the textual variants.

Editing *Ulysses* is made perilous by the near-impossibility of ascertaining old-fashioned authorial intention. The process of publishing the first edition was an unseemly scramble to meet Joyce's superstitious deadline of his 40th birthday. Some typists resigned, shocked by Bloom's bodily functions, whilst those that stayed "corrected" many non-standard words and punctuation. The *Dillon* printer spoke little English, and, half-blind, Joyce composed the rickety desk of a cheap hotel, whilst revising the typed proofs of earlier episodes. Unsurprisingly, he complained "I am extremely irritated by all these printers errors. Are they to be perpetuated in further editions? I hope not." Nevertheless, absorbed in *Finnegans Wake*, he showed little interest in overhauling a second edition, thus extending an open invitation to future editors.

Danis Rose has taken up this invitation with *Ulysses: A Reader's Edition*. The Joyce Estate struggled to halt publication, but failed due to a loophole in copyright law. It is not the first time editing *Ulysses* has caused controversy. In 1984, the Munich-based Joyce scholar Hans Walter Gabler published the first critical edition which claimed to correct over 5,000 errors. It provoked an academic cat-fight of unprecedented viciousness, ending with demands that Gabler's glossy new version be taken off the shelves and pulped.

Unlike Gabler, Rose neatly side-steps the question of which *Ulysses* Joyce really wanted by, following the "social contract" theory of editing. He asserts that "no published book is entirely the work of the author," but instead is jointly produced by author and production crew. As editor, Rose therefore allows himself a co-author's license to correct Joyce's "errors". His main aim is to "maximise the pleasure of the reader" by "freeing up the flow and the pace of the text as a whole." He tidies grammar and punctuation, corrects supposed typographical errors and rearranges syntax without worrying unduly over manuscript evidence for his changes.

Behind Rose's editorial theory lurks the assumption that he is fit to correct Joyce's "mistakes". In the *London Review of Books* last month, Joyce specialist Lawrence Rainey damned Rose's project as "self-aggrandising fantasy", and the idea of a scholar tampering with the words of the great man has caused sharp intakes of breath throughout the Joyce-speaking world. Onlookers may well roll their eyes at the pedantry of fierce debate over punctuation, but, in Joyce of all writers, commas matter.

Consider the line "Powdered bosom pearls", cited in Rose's preface to demonstrate his editorial practice. Asking earnestly "What is a 'bosom pearl' and why should bosom pearls be powdered?", he places a comma after "bosom". Yet the three words interact to telegraph Bloom's eroticised perception of a wealthy woman. Her bosom is powdered, yes, but it is also pearl-like, white, smooth, rounded. Her pearls rest on her bosom, as the word "pearl" rests on the word "bosom" on the page. Giving her the once-over, Bloom sees the powdered face, the voluminous bosom, then, homing in on details, her pearls. Put the comma in, and this delicate chain of meanings is eradicated.

"Improvements" along these lines haunt Rose's edition. Joyce was very particular about the typesetting of chapter 15, "Circe", which is presented as a play, but Rose alters the appearance of the episode almost beyond recognition. His Molly Bloom, unlike Joyce's, is trekked with apostrophes.

As Jared Diamond explains in this (admittedly fairly speculative) account of how human sexuality came to be the way it is, we are amused, titillated or disgusted by the specialised sexual carry-overs of elephant seals, marsupial mice or orangutans. Yet even by the standards of our closest relatives, the other great apes (chimpanzees, bonobos, gorillas and orangutans), it is we - humans - whose sexuality is truly bizarre, says Diamond. In fact, sex-wise we are practically the weirdest creatures in the animal kingdom.

A Reader's Edition attempts to remove some of the difficulty from a notoriously difficult text. Yet does this self-conscious dumbing-down of *Ulysses* make the book significantly easier to read? Rose claims to bring Joyce to the people, yet strangely his edition lacks many components which would genuinely help along the puzzled first reader. There are no explanatory end-notes which most modern editions automatically carry, nor does Rose print the Homeric chapter headings. No glossary elucidates Joyce's use of contemporary Dublin slang. These absences cannot be compensated for by cosmetic textual changes.

Rose curiously suggests his Reader's *Ulysses* will be validated by outselling its rivals, but at £20, Picador's handsome hardback edition fails to present good value for money. Far better for a first time reader to spend the same money to buy a cheaper annotated edition, with change left over for Harry Blamires' disarmingly unpretentious *New Bloomsday Book*. After all, Joyce's version was good enough for Monroe.

Danis Rose now works on a new edition of *Finnegans Wake*. The title cries out for an apostrophe.



Dancers photographed in 'Tango' (Thames & Hudson, £16.95): sex-as-fun, long-term bonding and the menopause are some of the many differences between human sexuality and that of our closest relatives

A species of sexual weirdos

Compared with other mammals, humans have a bizarre sex life, writes Michael Thompson-Noel

We are even more sexually strange than we think we are. The main features of human sexuality - long-term bonding, joint parenting, a preference for private sex, concealed ovulation and almost non-stop sexual receptivity in females; sex-as-fun (as opposed to sex expressly for fertilisation); and female menopause - probably strike most of us as normal-sounding by the standards of the world's 4,300 other mammal species.

As Jared Diamond explains in this (admittedly fairly speculative) account of how human sexuality came to be the way it is, we are amused, titillated or disgusted by the specialised sexual carry-overs of elephant seals, marsupial mice or orangutans. Yet even by the standards of our closest relatives, the other great apes (chimpanzees, bonobos, gorillas and orangutans), it is we - humans - whose sexuality is truly bizarre, says Diamond. In fact, sex-wise we are practically the weirdest creatures in the animal kingdom.

Diamond, professor of physiology at the University of California, Los Angeles and an acclaimed natural

history writer, says that human sexual strangeness is revealed most starkly when we compare ourselves with the other great apes (as opposed to the gibbons or little apes). Our human ancestors diverged only about 7m years ago from the ancestors of chimps and bonobos, 8m years ago from the ancestors of gorillas, and 14m years ago from orangutans' ancestors. Within the relatively short period during which humans and the other great apes have been evolving separately, says Diamond, we have diverged from them in only a few significant respects, and then only modestly.

But some of these modest differences - especially our upright posture and larger brains - have had a disproportionately large impact on our behaviour, as has the development of our sexuality.

"It is clear," writes Diamond, "how our large brain and upright posture played a decisive role in what is termed our humanity - in the fact that we now use language, read books, watch TV, buy or grow most of our food, occupy all continents and oceans, keep members of our own and other species in cages, and are exterminating most other

animal and plant species, while the [other] great apes still speechlessly gather wild fruit in the jungle, occupy small ranges in the Old World tropics, cage no animal, and threaten the existence of no other species. What role did our weird sexuality play in our achieving these hallmarks of humanity?"

To set the scene, Diamond dis-

WHY IS SEX FUN? THE EVOLUTION OF HUMAN SEXUALITY
by Jared Diamond
Weidenfeld & Nicolson £11.99, 248 pages

cusses the battle of the sexes: the differing reproductive strategies of human males and females. He has little that is new to say on this topic, though males are guilelessly reminded that if they are contemplating a spot of extramarital sex, the most profitable genetic and biological strategy is to concentrate on married, rather than unmarried, women, in the hope that the woman's husband will unknowingly rear the resulting offspring and thus improve the philanderer's overall output of children.

On the other hand, says Diamond, a woman who seeks extramarital sex is generally (if not always knowingly) searching for a new marriage partner, or at least a lengthy extramarital relationship with a male better equipped than her husband to provide resources or good genes.

After that, Diamond throws in a singularly ill-fitting chapter - "Why Don't Men Breast-Feed Their Babies?" - before returning to his main theme by discussing the reasons why human females do not provide clear signals when in ovulation: why they are almost constantly in a state of sexual receptivity; and the possible reasons (other than the obvious one) why humans indulge in so much recreational sex. Almost always, the answers to the questions Diamond poses are complex, subtle and unexpected.

For example, he argues that the phenomenon of female menopause was among the biological traits essential for making us distinctively human - a creature qualitatively different from the other apes. In his opinion, female menopause may have boosted our species' chances of survival because of

the importance of old people to their tribes in prehistoric societies, especially as repositories of information and experience relating to natural disasters such as crop failures, drought and cyclones. The female menopause, he says, may have originated partly or mainly because of the importance to their tribes of the "memories of old women". The old men of the tribe, conversely, were not at risk from childbirth or from the exhausting responsibilities of lactation and child care, so did not need to evolve menopausal protection to match that of their mates.

Why Is Sex Fun? is not as gracefully written as Jared Diamond's two big best-sellers, *The Rise and Fall of the Third Chimpanzee* and *Guns, Germs and Steel*. At times it reads like a textbook - even a pot-boiler. In fact, it is part of a science series to which Richard Dawkins, Richard Leakey, Stephen Jay Gould and Steve Jones have contributed or are due to do so.

Nevertheless, it is an entertaining and sometimes engrossing account of the evolutionary forces that have turned us, relatively speaking, into a species of sexual weirdos.

When religion went to the moon

In January 1608 "The Deposition" by Lodovico Cigoli was brought from Florence to be installed as an altarpiece. As the boat carrying it down the Arno sailed into the city, its inhabitants turned out to welcome this beautiful painting with "much ringing of bells and other festivities of the sort". The portrait of Christ's descent from the cross soon became renowned for its sophisticated handling of colour and movement among the figures surrounding the dead saviour. Later Peter Paul Rubens used it as a model for his own "Deposition".

This acclaimed work, however, if this fascinating, densely argued book is correct, was not only an expression of religious devotion. Its realistic depiction of a sun and moon above the plane of the crucifix deliberately defied contemporary Galilean arguments for a sun-centred universe against the Church's Aristotelian teachings. Eileen Reeves constructs a minutely researched case for the interplay of science and art in Italy and Spain around the time of Galileo's famous observations with the newly-invented telescope.

It is difficult to imagine a time when painters befriended astronomers, making their own astronomical observations before immortalising the discoveries on canvas. It seems equally implausible that science once looked to painting techniques for observations about the moon and its light. Yet Cigoli divided his time

between decorating Santa Maria Maggiore in Rome and mastering the telescope. Galileo in his turn not only relied on artists for drawings and analyses of their observations and coloured many of his arguments with painterly references; he also created competent wash drawings of the moon's surface and was elected to the Academy of Design in Florence, where he had taken lessons in perspective.

PAINTING THE HEAVENS: ART AND SCIENCE IN THE AGE OF GALILEO
by Eileen Reeves
Princeton £29.95, 310 pages

Reeves supports her argument by focusing on paintings by Francisco Pacheco and Diego Velazquez, as well as Cigoli and Rubens, which illustrate the clash between two world views in the religious art of the time. She is most convincing when her analysis concentrates on themes which were central to both painting and astronomy during the early-17th century. Modern commentators have taken for granted that contemporary controversy centred around Galileo's sensational discoveries of both sunspots and Jupiter's satellites, the Medici Moons (here called the Cosmian Stars). Yet Reeves insists these were sidelined into curiosities when confronted with his revelation of the nature of the moon's surface and the source of its secondary light.

That this secondary light

was reflected from a moving earth supported Copernicus's dethroning of terrestrial creation from its central position in the universe. More catastrophically, however, observations of the moon's surface revealing it not only opaque but cratered and mountainous, were viewed as threats to the purity of the Virgin Mary.

A central tenet in the dominant Marian iconography was her identification with the moon, on which she was often portrayed standing - the globe as smooth, unchanging, and luminous as the Virgin herself. Any discovery which made this celestial orb out to be rough, pitted and impure violated not only natural philosophy but the Mother of God, seen in some representations as eclipsing her son in power.

Reeves uses two Spanish Immaculate Conception paintings, by Pacheco and his student Velazquez, to demonstrate this. Pacheco's Virgin stands on a transparent bubble floating over the landscape of Seville, while Velazquez smuggles representations of craters and mountains into his painting in defiance of his teacher's adherence to Church dogma. As with the admiring citizens of Florence, Reeves blames modern observers' myopia not upon any obscurity in these sacred paintings, but on an unwillingness - then as now - "to accept that an artist could and would combine the astronomical and the celestial in a single canvas".

Ann Geneva

Sebastian Junger watched the great Halloween storm of 1991 from the fishing port of Gloucester in New England. His personal recollection is of only 30-ft swells and a fresh wind. But 200 miles east on the fishing grounds of The Grand Banks, the six-man crew of the Andrea Gail, a raked-stem, hard-chined western-rig swordfisherman, saw conditions few other humans have ever witnessed.

Three weather systems had catastrophically come together; a hurricane from Bermuda, a cold front from the Canadian Shield and a storm from the Great Lakes. Over an area of three quarters of a million square miles the sea and the air were whipped into such a frenzy that any distinction between them was lost in a maelstrom of watery violence. The crew of the Andrea Gail perished as did a helicopter rescue crew-man. In meteorological terms this was as perfect a storm as has been seen this century.

"I've written as complete an account as possible of something that can never fully be known", explains Junger. And while it is true that the last hours of the doomed men are unknowable, Junger's authorial reliability is quickly established and convincingly sustained through his deft use of intimate detail and, more particularly, through the terrifying corroborative evidence of the survivors.

The book opens in a scruffy room above a faintly intimidating dock-side bar in Gloucester that is home to Bobby Shattford, one of the Andrea Gail crew, and a regular haunt for the others. (It almost literally becomes a haunt for Bobby as well when his unwitting doppelgänger fetches up at the bar for an uneasy beer a year

Perils of the deep blue sea

after the accident). Junger precisely pieces together the men's last movements and, with the co-operation of their friends, families and other fishermen, their last thoughts. Three of the crew expressed reservations about the trip and another pulled out at the last moment, but such were the potential rewards that there was a full, willing and able complement when the boat eventually left the harbour.

Junger engagingly conjures both the physical and cultural appeal of the sea to these men as well as realistically assessing its economic attractions. The previous skipper of the Andrea Gail had put three children through private college on what he made from the boat and even the lowliest crew member could expect a pay cheque of around \$5,000 for the month long trip if the catch was as expected.

But blue-water fishing off Newfoundland, ever since the Portuguese cod-fleet came in the 16th century, has always functioned around a brutally direct relationship between economic reward and physical danger. So while Junger at no point apportion blame for what happened - and an initial flurry of law suits never came to court - he does note that in deciding his final course, the skipper must

have considered that he had a hold full of fish and not enough ice to keep them fresh.

That fishing still has the highest per capita mortality rate of any industry in the US confirms Walter Scott's contention that, "it's no fish you're buying - it's men's lives", and Junger's brilliant evocation of their astonishing working environment is a *tour de force* of descriptive writing. The waves were huge mobile slabs of dark slate and the wind blowing through the rigging sounded like the bass end of a ghostly church organ played by a child. It was a sound no sailor ever wanted to hear but other local captains, questioned by Junger after the tragedy, saw nothing unusual in the skipper of the Andrea Gail charting a course through this chaos in an attempt to land his haul. It was just the way they did things in Gloucester. This is a town where some elderly inhabitants have never driven the 45 minutes to Boston and where floorboards are grooved by women pacing up and down looking out to sea for their men.

Junger's simultaneously thrilling and sobering book well illustrates why in such a place mutual reliance and trust are important on land and essential at sea. And also how utterly impotent such civic and human virtues are in the face of the blindly amoral and terrible power of the sea and the air.

Nicholas Wroe

The Financial Times plans to publish a

Review of Business Books

on Tuesday September 30

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ARTS

Images close to the heart

William Packer admires the miniatures in the Royal Collection

The selection of some 75 portrait miniatures from the Royal Collection, lately on tour in America, is now in London. It offers us the pick of what is the world's largest private holding of miniatures and includes examples of the highest quality as art. But even as it gives us at particular moments aesthetic treats of exquisite force, it does other things besides that are no less intriguing. In following the history of royal commissioning and collecting from Henry VIII to Queen Victoria, it gives us a history quite as much of taste and manners as of art itself.

Miniature painting is for the most part worked in water-colour bound in gum or white of egg. The conventional support was vellum laid on card, but ivory took its place early in the 15th century. Enamel came in as an alternative at much the same time, but its harder surface and glossier finish sets it rather apart. The immediacy of the water-colour, light and direct of touch, often unfinished, is the truer character.

Though it had its origins in medieval illumination, the portrait miniature as a distinct discipline first appeared early in the 16th century, and was particularly associated with the Tudor court. Certainly it would seem perfectly suited to the serial politico-marital purposes of Henry VIII, at once so portable and so personal, although with Holbein and Anne of Cleves he would seem to have come unstuck.

For since the miniature, of its very nature, would usually be meant more for private consideration than any public display, the assumption would always be that, give or take a little flattery, it would be accurate and truthful, "as like" as Aubrey said of Samuel Cooper's work, "as art could afford." The miniature taken directly from life rather than from a painting or engraving is always the more convincing.

There may have been occasions of particular flaunting or ostentatious display. Queen Elizabeth demanded the picture of Cecil that Lady Darby had about her neck, and tied it to her shoe and then her sleeve, as we might snatch away a treasured photograph to show around to tease the

love-lorn. The Regency ladies hung their husbands about their necks, the Victorians in cabinets and cases on the wall. Charles I, Nelson and George IV, dying variously on the scaffold, in battle and in bed, each had the image of his particular beloved close to his heart. Public or private as may be, such natural testimony suggests that these treasured things must indeed have been "very like".

The portrait of the youngish Henry VIII (c.1536) with which the show opens is in fact one of a set by Lucas Hornebolte, Holbein's teacher and predecessor as King's Painter, and the first of such things known to have been made in England. It is at least as fine as anything that follows, at once regal and personal, and as fresh as day. Even so, the Holbeins close by, tiny as they are, are astonishing for the direct and ample naturalism with which they are painted, clearly from life, most of all the infant Duke of Suffolk (1541).

By contrast, the next group, by Nicholas Hilliard, icon-maker to Gloriana, though minutely refined, seems impersonal and dull save for the earliest of the two images of the Queen herself (c.1585), which has a quizzical liveliness that bespeaks the actual presence of the model. It is Hilliard's pupil, Isaac Oliver, working on at the Jacobean Court, who reintroduces the immediacy and freshness of Holbein and Hornebolte, yet with a naturalism that is altogether more modern. The doomed Earl of Essex with his straggly red beard (1596), and John Donne the poet look out at us across the centuries, there to the life.

But even more than Oliver, Samuel Cooper, who worked under the Commonwealth and at the Restoration Court, is in this respect the star of the show. His work is small rather than tiny, and thus more open and obviously painterly on the surface, even more so where the work is unfinished. Here in just this state is the young and soulful Duke of Monmouth (c.1665), whose uncle James would have his head cut off after the rebellion of 1685. Here too is the ringleted Barbara Villiers (c.1661), the King's mistress,



Victoria, Princess Royal in Turkish costume, c.1850 by William Ross

but it is her plainer but still beautiful, half-finished image that transfixes us with the wistful, half-pouting sensuality of her gaze.

The final peak comes with the work of Jeremiah Meyer who worked for George III, and whose

light and sketchy image of Georgiana, Duchess of Devonshire (mid-1770s), is perhaps the most delicious image in the show. Then comes Richard Cosway and the delicate, airy, romantic image of late Georgian and Regency beauty.

With the 19th century and the Victorians comes as it were the postscript, a dying fall, and there has been nothing since. The young Princess Royal, future Empress of Germany, a *Portraite* by William Ross (1850) is the final but by no means the least charm-

ing image of a delightful show. Only do make sure to take your magnifying glass.

Masterpieces in Little - portrait miniatures from the Royal Collection: Queen's Gallery, Buckingham Palace SW1, until October 5.

The Proms Leipzig in need of a leader

The Leipzig Gewandhaus Orchestra is priding on a great tradition. Together with Berlin and Dresden, it has always been one of Germany's centres of great orchestral playing and its place in the music history books is second to none - a glorious legacy, as long as it does not become a burden.

For this year's visit to the Proms the Leipzig Gewandhaus brought two programmes, of which I attended the first. Both concentrated on the German classics for which this orchestra is so eminently suited and there can be no question about the high standard of the playing. But a few years ago that did not stop the Leipzig players giving a very dull Brahms symphony cycle at the Barbican and Wednesday's Prom was only marginally more interesting.

Every work in the concert was - remarkably - premiered by this orchestra. Apparently Hans Werner Henze was so taken by the warm Leipzig sound when he heard the orchestra playing Bruckner at a Prom that he wanted to write a piece specifically for it. The result was the Second Sonata for Strings, given its premiere in Leipzig last year. It is a brief work and typically late Henze, elegant, more concerned with wistfulness for the past than present argument, but - perhaps more important - offers the supremely eloquent Leipzig strings a good opportunity to show their paces.

Mendelssohn originally wrote his Violin Concerto for the Leipzig Gewandhaus's leader. On Wednesday, it was played by the much-hyped Lefka Josefowicz, whose smallish but lithe tone sounded not unlike Joshua Bell's last Sunday, though he has maturity on his side and is the more imaginative. The drawback was the absence of any spark from the conductor to second her efforts.

Since Kurt Masur left for the New York Philharmonic, the Leipzig Gewandhaus has inevitably lacked a figurehead of equal charisma. For this summer tour it had Neville Martinson as conductor, dispensing precision playing as ever. What he does not do is encourage the players to delve into their deep inherited knowledge of the music. Schubert's Ninth Symphony after the interval was well paced, buoyant, loud - but tremendously shallow. When Giulini conducted the slow movement, it became the grandest of typical outpourings with a climax as lofty as Everest. Martinson's performance made it a muddle and the summit passed virtually without notice.

The Leipzig history of this symphony includes the premiere, conducted by Mendelssohn, no less, in 1828. That is the trouble with having a great past: the present has so much to live up to.

Richard Fairman

Where you ask me which of the explanations for the origins of the universe offered at various times by television seemed the most credible, I would find it hard to choose between the Douglas Adams version in *Hitch-Hiker's Guide To The Galaxy* (where the answer, if memory serves, was 42, but no one was sure of the question) and the one underlying *Songs Of Praise*. What would be quite clear is that the most far-fetched and incredible, and the most changeable, is the one offered by modern physicists.

A new BBC2 series starting tomorrow, Stephen

Television/Christopher Dunkley

Scientists in search of the Holy Grail

Hawking's Universe, does little to alter this. Indeed, the thumbnail sketch of the history of cosmology in Episode 1 - beginning with Ptolemy and proceeding via Copernicus, Kepler, Galileo, Newton, Doppler, Einstein and Hubble to Hawking - serves to emphasise the remarkable commonsense of the early scientists, who had to fight against religious bigotry, and the sharply contrasting flights of fancy among today's bunch who

are living three decades after the declaration of the death of god.

Ironically the physicists speak a language which sounds peculiarly like that of a religion, full of apocalyptic phrases (Big Bang, Big Crunch, Black Holes) and terms which sound as though they were invented by the priesthood to frighten the masses (Quasars, Cold Dark Matter, Massive Compact Halo Objects). Increasingly they behave like men who believe they are on the brink of discovering the Holy Grail, with each weird suggestion capped by some thing even more bizarre: quantum mechanics followed by string theory which is succeeded by super string theory.

If I follow the argument through correctly, the latest

belief is that the old theories (meaning the early versions of the new theories) failed to account for the weight of everything in the universe, though it is never clear who did the weighing, which scales he used, or where he stood while doing it. The missing weight, we are told, will prove to be made up by Dark Matter which could account for 99 per cent of the universe.

Yet nobody can actually find any. According to Programme 5, two men are sitting at the bottom of the deepest mine in Europe - a British salt mine - with a machine suspended in 200 tons of distilled water. This is designed to catch a Wimp, an extremely small particle of Dark Matter, which will

prove... well, just about everything, once they have caught it and weighed it. Last time television covered this subject, I seem to recall that the elusive particle was called a Quark, and it had a property known as Charm, but fashions in these matters clearly come and go.

Of course astrophysics and quantum theory are scarcely the easiest subjects to deal with on television, and you have to admire producer David Filkin for being willing even to try. He has used Hawking, the famous Cambridge physicist who has motor neurone disease, sensibly, bringing him in at key moments when that extraordinary voice, and the tiny figure in the wheelchair, provide maximum effect. Having someone else do most of the commentary means that

there is particular impact when Hawking's voice machine does growl out a comment, on alchemists for instance: "Mystic beliefs and a greed for gold are not a good basis for science".

As in so many programmes, there is more music than many of us would choose, and Filkin seems to have fallen in love with his computer graphics, but the series looks good and hangs onto your attention.

The irony is that however much we learn about the origins of the universe, we do not seem to get any closer to solving the creator conundrum. If it is really true that the speed of the expansion of the universe in the moments after the Big Bang had to be very precise - to within 15 decimal places, one figure of difference either way mean-

ing that events would have moved too fast or too slow for the formation of matter - you do have to wonder a bit about concepts such as purpose.

And while it is understandable that the people at SETI (Search For Extra Terrestrial Intelligence) do not bother to transmit targeted messages since they take 100 years or so in either direction, meaning that you would be dead before the conversation became two-way, the sheer number of bodies in the heavens does make you wonder how long it will be before someone out there starts sending us extra terrestrial television programmes. There are, we are told, 100 billion trillion stars, many with planets, so it seems inconceivable that none have life forms more advanced than our own, one of which must surely have moved on beyond *Game For A Laugh*. Time for them to get in touch and offer a co-production deal on an astrophysics masterclass.

Radio/Martin Hoyle

The Scots have it

Last week in domestic broadcasting at least the centre of gravity moved from India to North Britain. The Edinburgh Festival in full throated coincidence with the launch - without benefit of parliament or even a prime minister in situ - of the campaign to change the make-up of Great Britain in which 85 per cent of the population of Great Britain is not even being consulted. Peter Mandelson gave his customary alternating impersonations of whirling dervish and brick wall, by now hampered with the millennium dome tied round his neck like a putrescent albatross. But as so often happens, once the favour of the week has been set it is hard to escape.

Desert Island Discs returned with Scottish author Iain Banks. The admirable 15-minute slot, *Countdown*, described as "ten views of life in this century", last week went to Edinburgh to talk to 10-year-olds: young Scots plus a

northern Irish inquirer. As ever, one was struck by the ability of infant Celts to finish sentences, talk clearly and give every evidence of being able to think. No wonder they don't want their educational system contaminated by the south.

They were heartening on internationalism. They endorsed religious mixes rather than separatism. They were alarming on violence, the frequency of being beaten up, and the provocation of "competitive games" - by which they meant not football but something called "Red Rover", recently responsible for a broken arm and fractured skull. They think seriously about the ecological future, pointing out that England is sinking a couple of centimetres every year and may well eventually disappear. I lis-

tened hard but could detect no satisfaction in their tone; truly a humane and generous generation.

The Scots came out well in another confrontation. In Wednesday's *You and Yours* a lady from the English Tourist Board provided us with that rarity on radio, someone being struck speechless.

Fabbergasted silence was succeeded by faltering incoherence before the programme moved mercifully on. The subject had been the different criteria adopted for grading hotels by the English and Scottish tourist authorities. The Scots award crowns for welcome, warmth and sociability, the mundane southerners go by such practical resources as TV sets.

You and Yours is one of

the programmes whose imminent demise is crowed over by Polly Toynbee in *Radio Times*. *Science Now*, recently praised in this column for finding the right tone for science semi-literates like myself, is similarly jeered at. But then Toynbee contemptuously goes on a great deal about the "dumb" whom she obviously despises. I have news for her. If she thinks Slasher Boyle does not intend to "dumb down" (one of his elegant phrases) Radio 4 when changes come in next year she may be right, but only because the weasel-worded one is busy dumbing things down already.

The appalling *Big Bang* (to continue the scientific thread), with its perky music and bouncy yooof tone, is bumpily presented by someone with one of those

mately monosyllabic forenames that sound like a neanderthal belch and the manner that recalls a DJ for juveniles - which is in fact what he is. He has been entrusted with even more breezily glib pseudo-scientific stuff that makes *Reader's Digest* look like the *Encyclopaedia Britannica*. Doubtless this is the "crisper, fresher, cleverer channel" of Toynbee's dreams, even if her elegant phrasing does make it sound like a new brand of beer nuts.

The bank holiday was marked by a tribute to Trecco Bay, South Wales, and Europe's largest caravan park, where one man happily achieved his ambition to sit on his caravan steps in the sun peeling potatoes of a Sunday; and by the Toynbee-derided *You and Yours* whose researches proved what I have long suspected: when it comes to eating out food and service are better in Hastings than Le Touquet. Unfortunately the sewage is more abundant too.

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100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

ARTS

Fringe benefits rock the boat

As the Edinburgh Festival ends, a storm is brewing reports Antony Thorncroft

On the surface, the Edinburgh International Festival, which ends today, is calm and changeless. Once again the box office revenue has reached a new record, £3.5m; the 150-odd events have pleased more than 100,000 people and the critics; the cancellations have been kept to a minimum - just two.

The 50th anniversary festival has gone off well - much better than expected a month ago, when some group bookings from abroad were cancelled because of the strength of sterling, and Brian McMaster, the festival director, cut his income target by £100,000. In the event the audience turned up, encouraged by good weather.

But by 1998, Edinburgh in August could be a very different place. In an arbitrary move, which has greatly upset McMaster, Hilary Strong, the director of the Edinburgh Fringe, which in scale and influence

has long outstripped its foster parent, the International Festival, has decided to open a week earlier next year. In effect it has cut itself loose, answering to the needs of its thousands of performers rather than the interests of the main International Festival.

Fringe artists, most of whom are English, want to go home after the August bank holiday weekend. This third and final week experiences a dying fall. Already this year around a fifth of the shows on the fringe have ended and some venues have closed. If the Fringe began at the beginning of August everyone would be happier.

But such a move is an anathema to the International Festival. August is a bad month anyway, with competition from the Salzburg festival, and with many continental drama and dance companies on holiday. Some are prepared to reassemble and come to Edinburgh for the last week in August - the most important theatrical event of this year's festival. Peter Stein's Salzburg production of *The Cherry Orchard*, only opened on Thursday - but they would not support an earlier festival. So next year McMaster must programme exciting events, likely to appeal to a younger audience, in the third week in an attempt to keep Edinburgh alive at the end of the month.

In the event it could be an energising challenge. For years now the Fringe has given Edinburgh most of its atmosphere. It sells around 1.8m tickets as against 250,000 for the main festival. It is from its thousands of performers, uninvited and unstructured, that the talent of the future springs - not only comedians but, increasingly, playwrights and choreographers.

Since the Fringe is individualist and anarchic, deriving just £22,000 a year in public subsidy, Strong feels that she must reflect the needs of this budding nursery of artistic potential. She is also worried that some of the dominant fringe venues, in

particular the Pleasance, would go it alone, weakening the whole fringe, if its demands for an earlier start are not met.

In contrast, in his six years as director, McMaster has steered the festival into safer, even predictable waters. In his quest for excellence he has invited back year after year many of the same artists: not only Stein, but also the choreographer, Mark Morris, and the pianist, Andreas Schiff. By such commitment he believes that Morris has helped to revive contemporary dance throughout the UK, and Schiff to embark on challenging programmes not seen elsewhere in the world. McMaster now has to move up a gear for 1998, take more risks and widen

the festival audience. He must replace the buzz that the Fringe provided.

For it is hard not to notice the age-gap between the followers of the main festival, mainly over 40, and for the Fringe, largely under 30. The idea is that art lovers first come to Edinburgh in August for the Fringe and then progress to the high arts of the festival proper. It happens a bit, but not too much.

It is an irony that the International Festival and the Fringe should fall out at a time when they seem to be more in harmony than in the past. In 1998, the lottery funded Toll Booth should open as a new festival centre, providing the

much-needed focus for all the disparate festivals that take place in Edinburgh in August. As well as a social centre the Toll Booth should provide an integrated box office, enabling the film, jazz, and book festivals as well as the Fringe, to market themselves along with the International Festival to the great convenience of punters. But such a coming together needs more cooperation than has been shown this month.

If neither the festival nor the Fringe has thrown up a master work this year, Edinburgh in August remains an exhilarating place. There are shortcomings. Another effort should be made to improve the visual arts programme: if McMaster is

not interested, Timothy Clifford of the National Galleries of Scotland, is well equipped to make good the gap.

The television festival should open out more to the public rather than be just a talking-shop for industry professionals. And something must be done to make the Fringe more homogenous. The plethora of everything from comedy to physical theatre, means that the few dozen individuals and companies that are short-listed for such awards take the critics, the audience, and the attention away from the hundreds of also-rans.

The Fringe has never been more polarised between the professionals, using Edinburgh to try out new materials, and the starry-eyed tyros, doomed to perform unseen. But the largest arts festival in the world, a magnet for half a million visitors, still remains supreme as an explosion of creative energy.

The Globe brings on the clowns

Alastair Macaulay boos and hisses his way through 'A Chaste Maid in Cheapside'

The audience at Shakespeare's Globe is a dream audience. The promoters stand merrily for three hours at a time; stand there beaming merrily up at the stage; stand like patients on a monument, smiling at grief - smiling indeed at anything and everything, and laughing wherever possible. And this in turn infects most of those seated behind or above them.

The Globe players have discovered how to play this audience to perfection, if not the plays they happen to be performing. The method is simple: deliver everything like Christmas pantomime. Play broadly for laughs; wait for each laugh; invite the audience to boo or hiss the baddies; have cast members rush comically through the audience. The recipe works, only too well.

For *A Chaste Maid in Cheapside*, a 1613 comedy by Thomas Middleton, the Globe method works well. (Not brilliantly; I have memories of a 1976 Cambridge undergraduate production, directed by the young Nicholas Hytner, that was far more zipping, robust, and witty than this.) But the Globe *Chaste Maid* is a romping account of a romping play, with four or five thoroughly good performances. The title and the dramatic personae - which includes such names as Sir Walter Whorehouse and Mistress Underman - tell you what the play will be like: heartless, busy, jolly. In Malcolm McKay's staging, there is a hilarious chase up to the

second tier of the auditorium, and down again; and, as the heroine's rotten father, Matthew Scurfield drops out of character and says to the audience "Keep the energy up", that's what the director says "in the middle of a speech. This way Dick Whittington.

True wit in these circumstances is cavalier to the general. Still, a few actors winkle it out. John McNery takes two roles: squeezed into skirts as the Puritanish Mistress Tool on her way to church, his prissy utterance of "I love lowliness" is the most deliciously funny moment of the entire production; while, miming (in his best Mantelini mode) as the feckless cuckold Sir Oliver Kix, he can announce "My wife's quickened, and I'm a man forever!" with such misplaced joy that he becomes almost heartwarming. As Lady Kix, his wife, Eve Matheson commutes in and out of the character and is often too broad in inviting us to note her fatuity; and yet she can then catch that fatuity to perfection, with happy simpering and silly petulance that are oddly intoxicating.

As Mr Allwit, Mark Rylance is more variable, sometimes coasting along without focus, sometimes content to clown; but he can also plunge us into the play's cynical morality in a single line ("He gets me all my children - and pays the nurse"). And the light edge with which he drops the words "I'll baffle thee gallantly"

adds a much-needed dash of style. Ben Walden, as the heroine's doltish Cambridge-educated brother, labours comically through his efforts at Latin scholarship: I love the way he says "O tempora! O mores!" as if it rhymed with "bores". And Toby Cockerell plays one male and one female role enchantingly while hardly ever saying a word. His laughing zest as a wife, and his wide-eyed intensity as a servant boy, are exemplary and he finds more reality in his small roles than anyone else onstage.

Also at the Globe, the night before, the first act of Beaumont's and Fletcher's *A Maid's Tragedy* (c.1610) was the worst performance of anything I have seen for an age (and I overlook neither the ludicrous Act One of the recent *Kirou Cissile* nor the 15 minutes of *The Blues Brother* I watched on the Edinburgh Fringe before beating on the doors to be let out.) It is a difficult play, which Lucy Bailey's production sank from the first. Most of Bailey's directing experience is in opera; there, I presume, conductors supply the pacing of which here she seems to have no clue. The clowning in the masque scene was terrible, but other scenes were worse. Scenes of narrative exposition were boring and confusing, scenes of pathos were played for laughs, and the actors' leaden rhythm was all that is most alarming about the Globe. I did not stay.

In repertory at Shakespeare's Globe, SE1.



Middleton's comedy as pantomime: John McNery and Eve Matheson in 'A Chaste Maid in Cheapside'

Edinburgh Games with time and space

Glasgow's Suspect Culture company rounds off the first year of Edinburgh Festival offerings in the Gateway Theatre with *Timeless*, an intriguing piece which both mines and undermines a vein of personal emotional mythology.

Not so much scripted as scored (text by David Greig, music by Nick Powell) for four actors and a string quartet, the 90 minutes of the work proper are heralded as the audience arrives by a wordless segment in which the actors inhabit solitary but interlinked territories, each displaying a distinctive physical tic and recoiling upon contact with another (slightly suggestive of a twentieth-century version of Beckett's *Quad*). Scenes are then played out in present-past-future order, beginning with a reunion in their favourite cafe-bar at which two principal incidents are discussed: a spur-of-the-moment evening-till-dawn beach picnic and a semi-obscene photograph of one of their number found by another in a magazine.

As we are presented, next, with the meeting around which these events pivot (the afternoon before the picnic but after the photograph), and finally with a kind of fugue of the respective characters' fantasy scenarios surrounding a future reunion, certain words recur to complement the gestural vocabulary already built up: "inevitable", "pornographic", "timeless". The moment of true serenity is that captured in the picture of Stella, but the characters invest their individual and collective golden significance in "that evening on the beach". The poignancy of communal nostalgia is strongly evoked in counterpoint with a deep sensation of its arbitrariness.

Suspect Culture aim to push the sphere of conventional theatrical form whilst retaining an overall accessibility. Here, Greig, Powell and director Graham Eatough play games with space - as the "same" bar table manifests simultaneously on opposite sides of the stage - time - as in the arrangement of scenes - and even intelligibility, with the strings welling up to drown out what might normally be characters' "big" speeches. The piece, though, remains clear and comprehensible. At the moment, characters consist of aggregations of idiosyncrasies rather than rounded, unified portraits, which leaves the bulk of the final scene rather dull; this flaw, however, may well evaporate during the show's coming tour. However, its central point - that even our most cherished memories are meaningful only because we bestow meaning upon them - is cleverly made.

Ian Shuttleworth

Literate luminary of the movies

Nigel Andrews talks to the legendary film critic of the New Yorker, Pauline Kael, about her career and views on current filmmakers

When someone asked me at a party who is the greatest film critic, I said without hesitation, "Pauline Kael." "Who else?" he asked. "There is no one else," I said. "Who is the best film critic in Britain?" he persisted. I thought about it. "Pauline Kael when she is in Britain."

For me, and for many, there has been no other great writer about movies, ever since Kael's first and famous review for *The New Yorker*, virtually the only rave about *Bonnie and Clyde* printed in greater Manhattan. She also found renown or rebuke by championing controversial films like *Carrie*, *Taxi Driver* and *Last Tango in Paris*. And she scorned "serious", message-heavy Hollywood directors, since put to the sword by time, like Stanley Kramer.

It is not the infallibility of the opinions, though: Kael, like all of us, can be wrong. It is the passion, acuity and throwaway brilliance of the writing. Let loose on an unadorned director, Kael can be lethally funny. Reviewing some hair-shirted solemn American movie with mystical trimmings, she wrote, "I didn't much like *Wild Strawberries* the first time". And her long essay on the making of Lumet's *The Group* is the last word, or deserved to be, on the old battle between good literature and gaga movie pretension.

I can't look at Sidney Lumet if I see him across a

room without seeing the pure hatred in his look," she says today. "It's terrible. I thought at the time I was being kind if anything."

The room she sits in now is in her Massachusetts home, a rambling, handsome frame mansion. Retired since falling victim to Parkinson's disease, Kael is a small, stooped figure who flutters frail hands as she ushers a visitor in from her storm door.

The voice too is gentle, though with a west-coast twang that affirms Kael's beginnings as a film-lover in Berkeley, California. There she ran her own cinema before moving east to lecture and write - in her lapping prose spiced with literary invocation (Genet, Bellow, Mailer) and iconoclastic colloquialism ("loony", "junk") - and finally to form a perverse but inspired alliance with *New Yorker* editor William Shawn.

"I wanted to find a way to write about movies that seemed appropriate to movies," she says: "to how people felt about seeing them, instead of the higher moralising popular at the time. Shawn was a wonderful editor, but he thought my writing wasn't ladylike - a

word that sent me shrieking. His son Wallace fought that prudishness by writing plays that were nothing but four-letter words."

"My reviews were rewritten by Shawn to be more genteel. So I spent more energy trying to protect my copy than writing it."

A Kael review took you by the ear in sentence one and let you go as much as 2,000 words later, none of them wasted. "It's hard to analyse a really unusual movie in a paragraph or two. You critics have to do that in Britain and it encourages very tight writing: Graham Greene was a master at the short format. But I ran long when writing about films like *Mean Streets* or *Blow Out* or *Nashville* because there were exciting new qualities entering American cinema."

For Kael the late-1960s and '70s were a golden age. Scorsese, Coppola, Altman and DePalma were all starting out, treating adult themes with a visceral, adventurous sense of cinema's potential. Since then, she thinks, the golden age has turned to silver, bronze or dross.

"You can't blame Spielberg or Lucas, but in part it's down to their limitations. Spielberg is a great director with no judgment about material. He's a far



Brilliance: Pauline Kael Anne Hall

greater artist when he makes something like *Jaws* or *ET* - a lovely film, you can be unashamed about your feelings for it - than when he makes *Always* or *The Color Purple*. *Schindler's List* was quite well done but very obvious, with stock characters like the Nazi sadist, *Jurassic Park* had a terrible script."

I ask Kael: Haven't reviewers, even ones like her, got what they deserve - for selling out, after a fashion, to the pleasure principle? After decades spent questioning the high value placed on

European art cinema while rehabilitating commercial Hollywood directors under the banner of the "auteur theory", didn't they condemn us all to head giggling into the sunset?

Kael rightly exculpates herself from the auteur theory - for years she was its leading opponent - and she isn't sure either about the supposed New Hedonism. "The press go wild for something like *Naked* and, boy, that sure doesn't live up to the pleasure principle," she says. Mike Leigh is a definite non-favourite, "Secrets And Lies is like a poor man's Ingmar Bergman," she laments. "All this suffering that people are going through, with that mother whimpering and whining for two hours and then some!"

Though she derides the auteurist canonisation of hack American directors - "It's absurd to call them 'authors' when a script is handed to them fully-formed and they just decide whether to do it" - she is not a soft touch for every art-house author either.

When I lob some famous names at her I feel as if I am launching clay pigeons. Kael: "Beautiful filmmaker, but too much weight thrown on the stuff. It's soggy." John Sayles: "Lone

Star is nothing. People talk about his work as if they aren't their ordinary movies. They're not, they're sub-ordinary." Zhang Yimou: "When I see a title like *Red Sorghum* my whole body goes limp!"

Finally I try Lars Von Trier. "I loved *Europa*! I like Von Trier a lot. I haven't seen *Breaking The Waves* yet, how is that?" She has not seen Trier's *The Kingdom* either, so when I rave about that she scribbles a note to herself to get the video. In turn she raves about *Almodovar* (early), *Godard* (passim) and even Britain's Nick Park (of Wallace and Gromit) and Anthony Minghella, though she had yet to see *The English Patient*.

We are getting into the movie equivalent of train-spotting, so I switch to a more general topic. What about that endangered species, the movie actor? For years, I tell her, I have been intrigued by what seems a two-stage process. First, the blinding out of the acting fraternity, so that a medium that once boasted Bogart, Davis and Cagney is now filling up with callow, interchangeable superbrats. (Tom Cruise and Brad Pitt

leave me totally bewildered," concurs Kael). Secondly, the threat or promise held out by digitalisation and computer-synthesised actors.

"Oh, I hope I don't have to go see them!" Kael says. "It's so strange, because what's keeping movies going, why people love them, is that we still have so many terrific performers. Actresses as much as actors - what man is as tough as Judy Davis? They do amazing stuff with mediocre material. So now they want to get rid of the actors. It's like going to a play and finding everyone's wearing a mask!"

It's a distant dystopia yet, so Kael still goes to the movies. And she has found that retirement can turn a critic from feared scourge to kindly surgeon. "It's funny, the directors and producers who used to keep me away from their films now often send me tapes and ask me what I think." What she does not do is revisit famous battlegrounds. To my astonishment she has never re-seen the *succes de scandale* movie whose impact and importance she once compared to those of Stravinsky's *Rite of Spring*. "I've never gone to see *Last Tango in Paris* again after that first festival showing. It would be creepy to see it again after being worked over in the press by so many people for loving it. I even had an archbishop take me to task."

"But God," she says, summing up half a century of movie love, "if a critic can't get excited, what's the point of being a critic?"

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MOTORING / SPORT

Hi. I'm Ralph the robot. Need a lift?

Kerry MacKenzie looks at the latest developments in robotics and wonders when your car will be able to drive itself

Look, no hands. Motorists glancing in Dean Pomerleau's direction could be forgiven for stepping on the accelerator and getting out of the way.

Who wants to tangle with a driver whose hands seem to be everywhere but on the wheel?

Pomerleau, 32, a research scientist at Carnegie Mellon University's Robotics Institute in the US, should be used to the bemused reactions. A pioneer in the development of smart car technology, demonstrated earlier this month in San Diego, he has covered 50,000 miles in vehicles that have essentially driven themselves.

On a 3,000-mile highway journey by mini-van from Pittsburgh to San Diego, he sat in the driver's seat but his hands did not touch the wheel. The real driver was Ralph (Rapidly Adapting Lateral Position Handler), a computerised steering programme housed in a laptop that sits between the van's two front seats.

Ralph, accompanied by Pomerleau and robotics doctoral student Todd Jochen, successfully drove more than 98 per cent of the way at an average speed of 63mph. A tendency to head for the exits on the nine-day Pittsburgh-San Diego haul - smart car indeed - mainly accounted for the remaining 2 per cent.

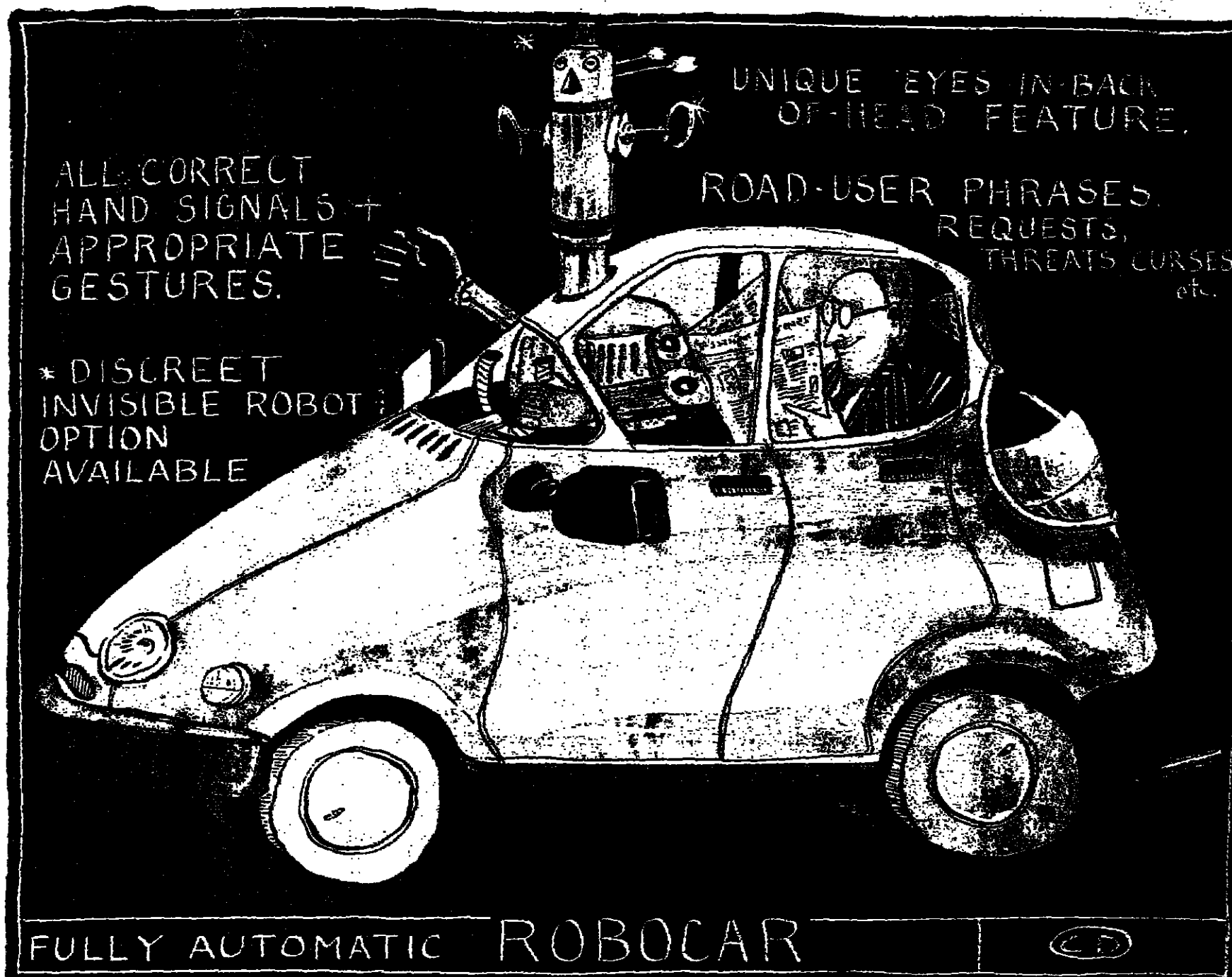
Eventually, according to Pomerleau, the driver will be able to catch up with work, check the stocks or have a snooze while the car does the driving. Surprised? Think about it, he says. The car is the one place where we have a regular, well-structured task that has not been automated.

Pomerleau and other researchers convened in San Diego for the biggest public test yet of a prototype automated highway system.

The driving force behind the effort was the National Automated Highway System Consortium (NAHSC), a public-private body set up by the US Congress three years ago to co-ordinate research, funded over a seven-year period to the tune of \$210m.

The demonstration, organised to update Congress and corporate bosses of developments and keep the research engine running, took place over four days on 71 miles of public highway.

Several concepts of automated driving were wheeled out. Some require simple magnets to be embedded in the road, which enable a car to sense its position in the lane. This would theoret-



cally allow cars to travel at up to 100mph with only 6ft between them; extra lanes could also be squeezed in as cars would require less lateral space.

Researchers say it would cost only \$10,000 per lane-mile to adapt the present highways, as opposed to the much higher cost of building new roads.

In contrast, Pomerleau says his concept has the advantage of working on existing highways as it uses video cameras and sees the road very much as we do.

Information on lane markings, oil spots, kerbs and even ruts in the snow is sent by the camera to the computer. The computer processes the data and issues instructions to a motor on the steering wheel on which way to turn. Radar sensors are also used.

So far, so high-tech. But Star Wars fans looking for a humanoid robot alternative will be disappointed. So far, no one, not even Honda, which broke new ground with its two-legged walk-

ing robot, is offering a tin chauffeur as a smart car option.

The chances of it happening, says Jake Mendelsohn, a Connecticut-based robotics consultant, are zero. "It's not necessary. Why have a chauffeur in the car when the car will drive itself?"

Indeed, it seems the day we can nip down to the dealer and instruct the new motor to drive itself home is not so far away. The US plans to have a fully automated highway in use within

five years; Britain expects the same in a decade or so. Japanese drivers hope to be cruising around in robot-controlled cars by 2010.

Whatever system is employed, a dramatic reduction in the road death and injury rate is expected. Highways may have improved and cars may have become safer, but in the department of road sense humans are still wallowing in the primordial sludge - an estimated 10m car crashes occur in the US annually, resulting last

year in 43,000 deaths. "About 90 per cent of all crashes involve some sort of driver error," says Pomerleau, "so if we can eliminate that, we can get rid of most of the crashes that occur on the road."

A collision warning system is Pomerleau's next project in kitting out his smart car. He plans for it to be independently available well before automated vehicles go on the market and probably in the next couple of years. It allows the opportunity

for technology to be refined, systems to be deployed, and to see what works best and needs improvement.

At present, Pomerleau is working with five vehicles, all members of the Navlab family. Navlab 6 and 7 are Pontiac Bonneville Sedans, Navlab 8 is a mini-van, and Navlab 9 and 10 are city buses. Navlab 5, their immediate predecessor, was the mini-van used on the Pittsburgh-San Diego trip. Pomerleau believes the route to his ultimate goal, smart cars for all, is downhill all the way: "It's a definite clear progression from where we are now to deployment."

Certainly, he has come a long way from the days of Navlab 1, a blue Chevrolet panel van crammed with five racks of computing equipment whose top speed never exceeded 2mph.

Possibly the biggest task for the promoters of the smart car will be to break down the psychological barriers. Airline passengers may think nothing of hopping on to a driverless airport shuttle, but will motorists - particularly US motorists for whom the car is a birthright - happily hand over control to a few computer chips?

"That does take some getting used to," admits Pomerleau, who enlisted the help of a Houston bus crew in demonstrating his city buses. "It took the drivers a couple of hours to adjust to just sitting behind the wheel and not driving."

He adds, reassuringly: "I think there will always be times either on the normal highways or even the special highways where you may want to drive yourself, and in our vision of automated highways that's perfectly allowable."

Nonetheless, a few ticklish questions will have to be answered as the day of the ultimate self-drive car draws close - such as can you be charged with driving under the influence of drugs or alcohol when you are not actually driving? How will you know whether the car has been stolen - or has just taken off on its own?

Perhaps, in the end, there is comfort to be drawn from the fact that there are some things motorists will still have to do the old-fashioned way. All the software in the world could not fix the only two real headaches Pomerleau encountered on his 3,000-mile high-tech trip - a faulty alternator and losing Navlab 5's key.

Tennis

Wild child gets a wild card

John Barrett on the early career of Australian Luke Smith

In sport as in life, timing is everything. For the 20-year-old Australian Luke Smith, the moment is now. Ever since this senior from the University of Las Vegas won the National Collegiate Athletic Association singles and doubles titles in May, a feat that earned him a wild card place in this week's US Open, Smith has been the subject of intense scrutiny from the management companies.

"I'll have to select one before the end of the Open," he says. "I have no contracts at the moment. I'm wearing Prince clothes, Nike shoes, Oakley glasses and using a Pro-Kennex racket - keeping my options open," he added, chuckling.

By tradition, inter-collegiate champions are fierce competitors. They have to be. The competitive environment at American colleges is legendary: eight or more hungry young guys fighting for six team places; three hours of practice a day plus physical training; every weekend inter-college singles and doubles matches - all without umpires - from January to the end of May.

Those are the conditions which moulded the emerging

careers of these champions, all of whom went on to win Wimbledon - and many other Grand Slam titles: Bob Falkenberg (University of Southern California 1946), Tony Trabert (Cincinnati 1951), Alex Olmedo (USC 1956, 1958), Arthur Ashe (University of California, Los Angeles 1955), Stan Smith (USC 1968), Jimmy Connors (UCLA 1971) and John McEnroe (Stanford 1979).

Smith knows he is in illustrious company. "Ashe is the one I admire," he says. "He won the singles and doubles. It's hard to believe I did the same. I was ranked 65 [among the collegiate players] going into the NCAAAs and it was a 64 draw so I was lucky to get in."

There was no luck about his progress, however. Smith's six winning matches cost him no sets and only 29 games. Not since the victory of Stanford's Jared Palmer in 1991 had an unseeded player claimed the title.

Appropriately, Smith's partner in the doubles was fellow Australian Tim Blenkiron, a school friend from Adelaide and the man who was responsible for getting Smith to the University of Nevada, Las Vegas, in the first place.

"I was just 17 and had finished high school. Tim was in his first year at Las Vegas and had told Larry Easley, the coach, I might be interested in a scholarship. Easley offered me the chance to train for three hours a day in a perfect climate with great facilities and good coaching," Smith remembers. "That sounded great to me. Tennis was all I wanted to do. I'd played interstate for South Australia in every age group from the 12-and-



Luke Smith in his six winning matches he lost no sets and only 29 games

under up and by then was top 10 in the under 18s in Australia. But I wasn't mature enough to go on the pro circuit. I realised that and saw Las Vegas as a great opportunity."

Smith's parents were equally convinced. His father Peter is a school teacher who had encouraged his three sons to take part in all sports.

"Luke played soccer and athletics seriously as a kid," he said during a first visit to New York with his wife to watch Luke's Grand Slam debut. "It had been the same with his elder brother Brett who is 24, and now with Josh who is 15. We've always been a keen tennis family. I spend a lot of time coaching outside teaching."

"We had a court in the backyard in Eden Hills, Adelaide. Brownwyn and I used to play inter-state matches - we were pretty serious."

"The Australian Davis Cup player John Fitzgerald used to stay with us when he was young and I coached him. I guess my young guys grew up with other serious players at home so it wasn't surprising that Luke was playing club matches at the age of seven."

As a teenager Smith was an extrovert who was always getting into scrapes and breaking limbs. "I was a wild child in those days," he says. "We had moved to a farm at Clarendon in the Adelaide Hills. I was into motor bikes, water skiing, fishing - anything active. But America changed me - physically and mentally. I went from 6ft and 150 pounds to 6ft 2ins and 185 pounds."

"I realised I had to get serious if I was going to achieve anything as a tennis player. As he embarks on a professional career he is fully aware of the difficulties that lie ahead. "These guys are incredibly fit and fast but I'm prepared to work my butt off to get there," he says.

His match against 10th seeded Marcelo Rios on Wednesday, a comprehensive 6-1 6-1 6-4 beating, vividly illustrates the gulf that lies between promise and fulfilment.

"I hadn't played anyone of this calibre. I knew it was going to be tough, but this was really on another level. He picked apart my game style - serve-volley, chip-charge - and came up with some really great passing

shots. His consistency really surprised me."

Next for Smith will be an attachment to the Australian Davis Cup team that will play the Americans in Washington from September 21. It will be a happy return to the city where, in July, he played his first professional tournament and won two matches.

"That will be a fantastic experience," he says. "I know they've got Sampras and Chang but I think we have a great chance. The Davis Cup means so much to us. Patrick Rafter's a tough cookie and Mark [Philippoussis] can beat anyone when he's hot - and we have the Woodies [Mark Woodforde and Todd Woodbridge, five time Wimbledon champions] in doubles. It's such a great chance to train with those guys. I've met them all but I'll really get to know them in Washington."

It will not be long before we all get to know Luke Smith.

As his new coach Robert Trogolo says: "He's very talented and he works hard. When you have that combination you have a serious player. He's also very strong... and he's got the heart. It's all you need."

Road Test/Stuart Marshall

VW scores with four-time winner

Once again, Volkswagen seems to have got it absolutely right with the fourth generation Golf hatchback. Its appearance has not altered much - when a car is as good as the three past generations have been, there really is no point in altering anything for its own sake. Which is why the latest model, though identifiably new at a glance, has a strong family likeness to its forebears.

The unseen parts of the Golf have changed a great deal, though for change, read improvement. For example, all but two of the engines are new and every version of the Golf is more fuel efficient than its outgoing equivalent.

The petrol engines are a quartet of multi-valve fours with outputs ranging from the 1.4-litre entry model's 75 horsepower to a vigorous 150 horsepower for the 1.8-litre GTI. The V6s will come later but the launch range includes a curiosity - a five-cylinder, 2.3-litre, 150 horsepower V-formation engine which is a V6 with one piston missing. I did not manage to get hold of one - but those who did said it sounded normal enough and ran easily up to high revolutions. More importantly, it pulled smoothly at the more modest engine speeds used in everyday driving.

Average fuel consumptions expected from the petrol-engined Golfs range from 45.5mpg (8.2 l/100km) for the 1.4-litre to 32mpg (8.8 l/100km) for the V6. The diesels - all of 1.9-litre capacity with direct injection, though the least powerful has no turbocharger - are more economical. Average consumptions range from 55.4mpg (5.1 l/100km) to 57.8mpg (4.9 l/100km). Paradoxically, the most powerful, 110 horsepower unit has the greatest economy potential.

So much for the mechanicals. The fourth generation Golf is slightly longer overall and in wheelbase, and fractionally wider, than its predecessor. Twin airbags, power steering and anti-lock brakes are standard. Because the body is made entirely from galvanneal steel, it has a 12-year anti-rust penetration warranty.

Optional items include

wipers that start by themselves when it rains and operate at just the right speed to keep the screen clear in a drizzle or a down-pour, an interior mirror that flips automatically if the car behind is causing dazzle; and side-protecting airbags.

Every Golf is equipped to comply with the new Isofix childseat mounting standard. This long overdue development will eventually end what is all-too-often the struggle to fasten childseats in place with adult belts. It should improve safety, because many childseats today have not been fitted properly into the car.

My only experience of the new Golfs was driving two 1.8-litre petrol-engined models - the 125 horsepower version which will be the best-seller in Britain and the 150 horsepower GTI - and the 110 horsepower turbocharged. The route in and around Bonn was stored in an in-car satellite navigation system, which worked beautifully, providing one did as one was told by a dulcet-toned woman.

Sadly, the temptation to go off-route and drive the GTI for more than a mere 50km was irresistible. So the nice navigation person stopped speaking to us. The turn left, turn right diagrams disappeared from the screen. For more than an hour we were

comprehensively lost. Eventually, a paper map got us back to base. We missed lunch, but the GTI had been such a stimulating drive it was worth it.

My first choice would still be the 110 horsepower turbocharged. It is not so fast - 120mph/193kph maximum speed against the GTI's 134mph/216kph - and takes 10.6 seconds to reach 100kph/62mph from a standing start against the GTI's 8.5 seconds, as if that really mattered. But it produces more pulling power than the GTI at less than half the engine speed; which in everyday driving, translates into swift, relaxed progress.

And on a long journey it will go close to twice as far per 55-litre tankful.

Performance apart, Golfs have always impressed with their top-notch build quality. The fourth generation model is better than ever before, combining battle-tank solidity with liveliness and good manners. The 35mm panel gaps made possible by laser welding are up to premium marque standards.

The new Golf will make its world debut at Frankfurt show in 10 days' time. Its British unveiling will be at the London Motor Show in mid-October and UK sales start early next year.

On-the-road prices are expected to range from £12,000 for a 1.4E three-door to £18,000 for a GTI 1.8T five-door. VW GB says that, like Passat and Polo, the new Golf will be priced at the level with its five top competitors of equal specification. Annual British sales are targeted at 80,000, which is more than the last model achieved in its best year. The current Golf cabriolets and estate cars will continue in production for a year.

And will there be a Golf-based multi-purpose vehicle like the Renault Megane Scenic? "Do not expect one in this millennium," was as far as VW Group supremo Ferdinand Piëch was prepared to go at last week's launch.

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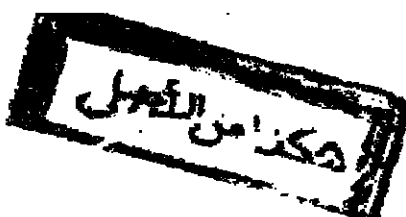
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How to Spend It

Seldom does a piece of furniture provoke the same reaction as looking at a work of art or taking the first bite of a well-ripened Pavé Dauphinoise cheese. So much of contemporary design has that *déjà vu* quality about it; you could swear you've seen it or sat on it in some previous life or sitting room.

With Christian Liaigre, the experience is different. Like the fashion crowds who gasp when a designer surprises them on the catwalk, the design aficionados recognise genius when they see it. But unlike fashion, which rarely moves beyond the conceptual, Christian Liaigre delivers from the start. His simple but highly innovative design does not preclude real life. Sofas are for sitting on and tables are for eating, elegance and practicality form a happy partnership where beauty is the added bonus.

Liaigre is an unusual newcomer to the design scene. Apart from anything else he is hardly new. His Paris showroom, on the Rue de Varenne, has existed for the past 10 years, the main passers-by being civil servants who work in the municipal buildings opposite. His office around the corner sits sandwiched between a tiny café and a funeral parlour.

We are not talking Philippe Starck. There is no PR machine, no press department - his treasured catalogues are hard to come by - and until the doyenne of American furniture and taste arbiter, Holly Hunt, sniffed him out, little was known about him. To this day, the only way to view his full range of furniture is to take the train to Paris.

And yet this is possibly the most important - certainly most copied - designer of our time. Much of the new pared-down look - in neutral colours, dark raw woods, cube-shaped sofas, relaxed lines, tarnished metals and ethnic accessories - began with him.

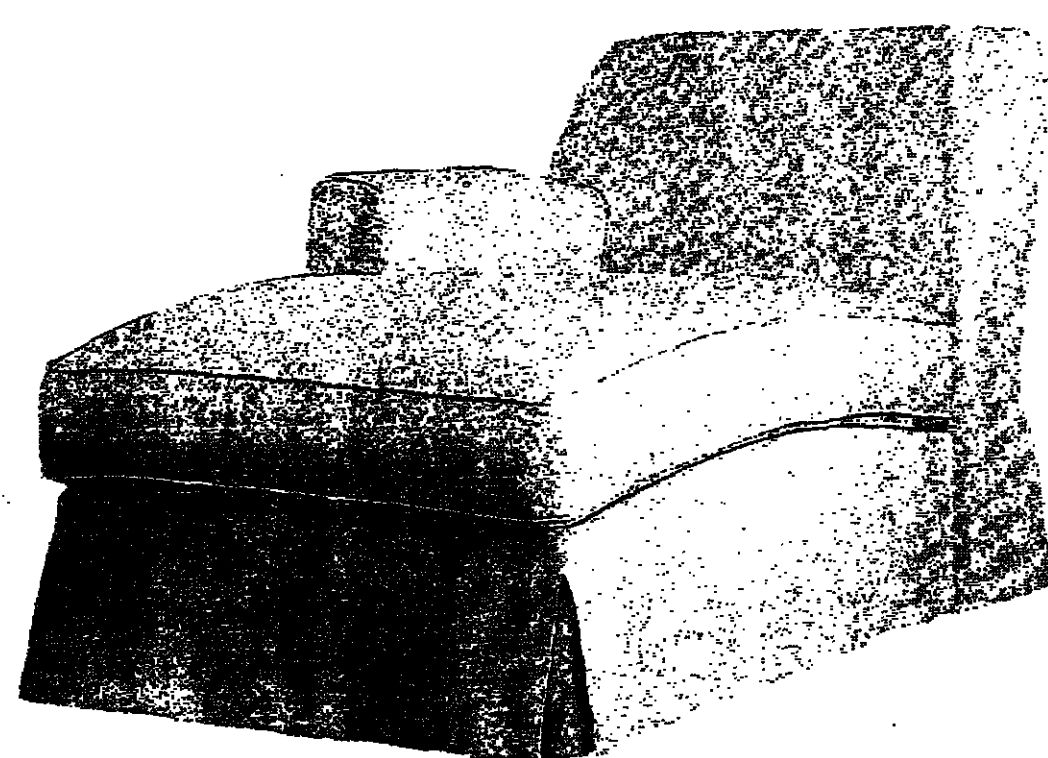
Without a doubt the African dark wood usage, to which the Milanese giants gave their blessing at the Milan Furniture Festival last autumn and which architects such as John Pawson are using in their schemes, was inaugurated by Liaigre a decade ago. His famous Nagato stool - the chunky single block of carved wood - has been unsuccessfully copied by various companies.

His Polynesian and African inspired tables and stools precipitated the recent tribal look that featured so strongly in the home collections of designers such as Donna Karan, Ralph Lauren and Pierre Frey.

Liaigre would still be carrying on in his humble - though not entirely unglamorous - way had Hunt not stumbled on a photograph of the Liaigre-designed Hotel Montalembert in Paris. "When I first saw his furniture I loved it," says Hunt, who bought the licence to manufacture and sell Liaigre in the US three years ago. "It was a little edgy - at the time everyone was into gold leaf and carved stuff - but his was a totally fresh voice."

Hunt employs six full-time sales representatives in New York, Chicago and California for Liaigre alone. "He's the only contemporary designer who is not derivative or gimmicky," she says. "His furniture is classic and clean but nonetheless edgy. It works in the country or in the city, but most important is the quality, the perfection of each piece."

Her instinct was correct: she predicts a close to \$10m turnover for the coming year. "The volume is going through the roof. We can



Brousse day bed in two sizes, £1,630. Linen cover extra

Art and Crafts

An oft-copied original who is rarely bettered

Helen Kirwan-Taylor believes Christian Liaigre may be the most important furniture designer of our time

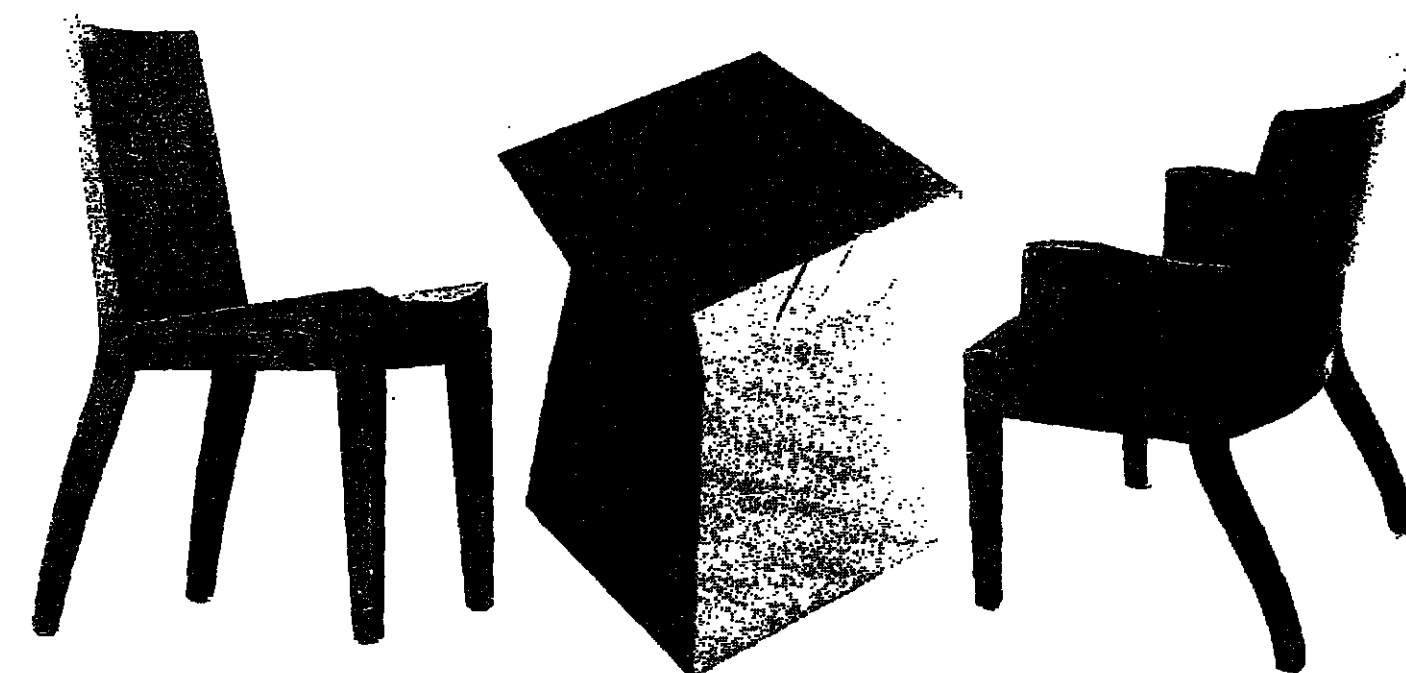
hardly keep up with the business and we haven't even opened in south Florida."

In Britain, few people have even heard of Liaigre - Joseph Ettedgui is a notable exception. He first exhibited Liaigre's furniture in his Brompton Cross shop years ago. But this is soon to change. Both Joseph and Selfridges have commissioned Liaigre to design their shop fittings - Joseph for the new men's store opening next month at Brompton Cross and Selfridges for their beauty department.

Liaigre is also looking for premises to open up his own store in London. As a self-admitted control freak, the chances of finding the perfect "climate" in which to show his wares may not be simple. The fact that the cost of his pieces range from £1,000 to £10,000 means that his clientele will probably be as stylish (and well-off) as those in the US and France.

The furniture maker of the moment is the son of a country vet from the Vendée who once aspired to be a painter and enrolled in the Ecole Des Beaux Arts in Paris. Unable to find a job in the non-existent design world, Liaigre moved to Bordeaux to raise show horses. Ten years later the country life wore thin. "If I had to have dinner one more time with the country doctor I was going to take a gun and shoot myself," says Liaigre. "So I spent all my money and had no choice but to move back to Paris."

An old friend at Nobilis-Fontan employed him as artistic director and within a year or two the



Left: Stail chair in sycamore and leather, £1,150. Centre: Nagato stool in oak, £350. Right: Colombo chair in sycamore or mahogany with leather, £1,210

poor, but optimistic, Liaigre went into business for himself. His early commissions came from clients such as actress Carole Bouquet and Kenzo - not bad for starters.

Those describing Liaigre's work often refer to Jean Michel Frank and Brancusi, but Liaigre himself does not believe he was influenced by anyone in particular. His style is eclectic, borrowing heavily from all kinds of different cultures, but always contemporary in feel.

"Bringing the cultures of the world together in a meeting of

lands," he once said, referring to an international project in Bangkok. "That is what modern is now." He does however, "admire" the American designers Billy Baldwin and John Dickson, both of whom embraced modernism early on but, like Liaigre, did it on their terms.

Liaigre, 53, certainly puts comfort above design: his dining room table and some desks slope down around the edges "to accommodate human contact" as he puts it. "If you are sitting at a table for eight hours and you're uncomfortable because when you

lean forward the edge cuts into your arms, then the surface is badly designed," he says.

But he does not think like an architect or even a designer; he thinks like an artist. He has a vague, slightly distracted air that makes him appear more like a professor than someone belonging to the world of Decorex.

His interest lies as much in the materials as the objects he creates, most of which are highly sculptural, complicated and expensive to manufacture. "I make lots of mistakes," he admits. The fact that his entirely

French crew of artisans can even deliver the tailor-made goods is a wonder in itself.

Liaigre has so many projects going that he finds them difficult to list. Among those he can remember is the new Mercer Hotel in New York and a new shop for the fashion designer Marc Jacobs. He is also talking to Ian Shrago about a San Francisco hotel. Meanwhile, he commutes endlessly to east Asia, where he has designed several Club Med hotels and private homes. Business is good enough to turn some away: "I just said

no to an enormous project in Tokyo. I don't like working for big firms with their endless directors."

Having said that, Liaigre is not about to relax and rest on his laurels. He recently hired two graduates from Ecole Nationale d'Administration and Arthur Andersen "to tell me what I should be doing" - which gives him a staff of 20. There are no plans for diversifications such as salad bowls or pasta pots.

Architect Julien Powell-Tuck, who collaborated with Liaigre on a recent project, believes that his strength is in his furniture, not necessarily his design. "His approach is relaxed and intuitive - not at all architectural," says Powell-Tuck, who spent months faxing detailed plans back and forth to Paris.

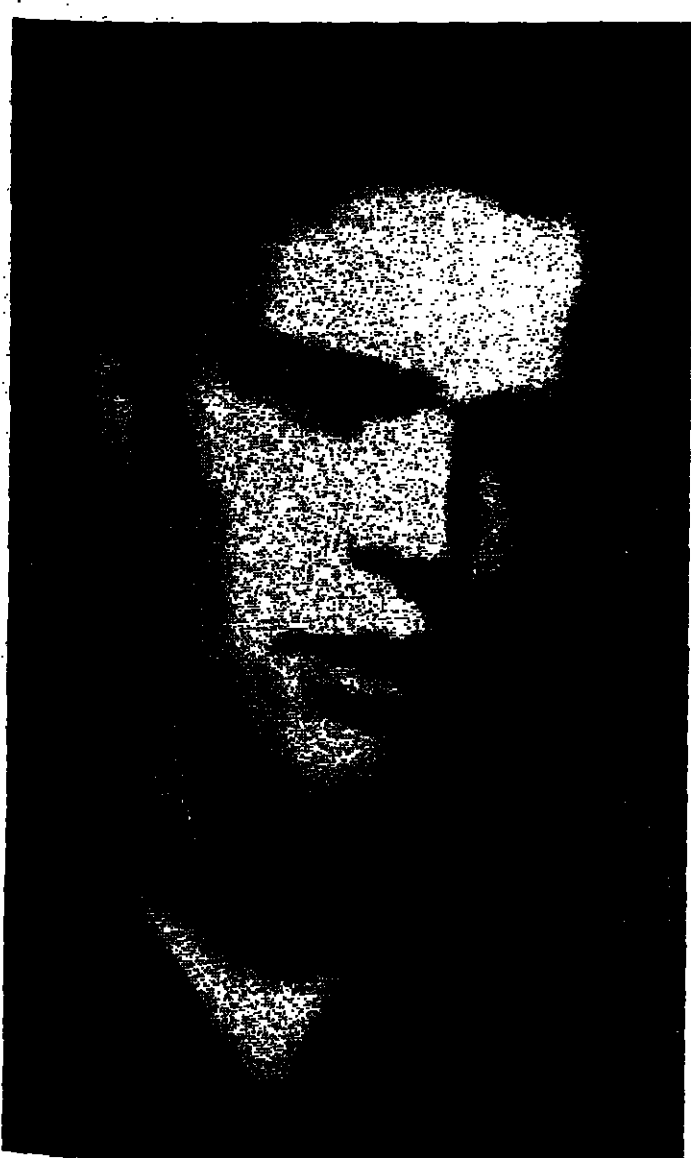
"He's good at figuring out proportions and choosing the right materials. I think his furniture succeeds because it's clean and contemporary without being in your face."

The same could be said about the man himself. Given all the attention surrounding him, one could expect to find some kind of ego. But Liaigre is quick to remember that his fame has come only in the last two years - the previous 51, he says, were spent in peaceful obscurity. "It's a good sign," says Holly Hunt. "It's terrible when people think they're famous. As soon you think you've got it - it's over."

■ Christian Liaigre: 61 Rue De Varenne Paris 75007. Tel: 33 1 47 53 78 76. Fax: 33 1 47 53 7852

My brilliant modelling career

Or how a brief encounter in Manchester gave Fred Tyler ideas above his station



Fred Tyler, the model posing isn't difficult, but the competition is fierce

My modelling career began one overcast afternoon at Manchester Piccadilly station. I was tired after another term of labouring over psychology experiments, and had managed to miss my train home for the Easter holidays.

So I went with my girlfriend to have a coffee.

Two women on the adjacent table seemed to be scrutinising me, which I found rather uncomfortable.

If this was a pick-up, why were there two of them?

After a few minutes one got up and came over.

"You've probably been wondering why we've been staring at you," she said.

Her accent was mouthy and sharp, easy to identify as a Londoner after the nasal tones of the locals.

"Have you ever considered modelling?"

No, I said, embarrassed, while her over-dressed friend smiled knowingly.

After some more hiya-buya conversation, I heard myself saying: "Um, well, I'll ring you."

I was left clutching a card with a telephone number and the word "Storm" printed on it in block letters.

Feeling by this time flushed with pride as well as

embarrassment, I turned away to catch my girlfriend giving me a kind of old-fashioned look, which would become increasingly familiar as news of the incident spread.

This was not the version of events I gave when, at the start of the summer holiday, I arrived at the offices of Storm modelling agency off King's Road, in Chelsea.

I was questioned by Sarah Doukas, the owner, to a chorus of shrieks from a group of American model girls - "How amazing! Cool! Were you really...?"

I admitted that I had been taken by surprise, and smiled energetically to avoid having to say it was the best thing that happened to me.

I dared not say that I had never heard of Storm before. Storm are agents for Kate Moss (who was "discovered" at JFK airport), Sophie Dahl and Eva Herzigova.

They also handle sporting heroes such as Ian Wright and Phil de Glanville. As such, they are regarded as one of the best agencies, a view supported by the financial involvement of Richard Branson.

I might have trembled more if I had known of the hundreds of aspiring beauties rejected each week.

But the six Polaroid shots they

look - full face, three-quarter and profiles - passed the test.

To my amazement, I was in. I began to imagine the street cred I was about to enjoy, the summer of parties, easy money and extravagant living.

Perhaps I would go back to university in a flashy sports car. But in the modelling game you

first have to create some attention. For this you need a portfolio, or "book".

So I began travelling round London like a cycle courier, with myself as the parcel.

The idea was to be inspected for jobs and meet photographers who hoped to realise their artistic talent through the "boyish" look nature gave me.

When they got money, I would get money. My first experience in front of

the camera was at the studio of a middle-aged man with a bare midriff and tight and tiny shorts. "Give me strength," he kept saying. "Give it to me, give it to me."

So I glared in the way normally reserved by certain football fans - I am a Charlton Athletic supporter - for the opposition.

It went down well. "Hold it! Excellent," he said.

Posing isn't difficult, but the competition is fierce.

So many models go for the same jobs. Personality and presentation are crucial.

But, as my friends love to tell me, it's mostly cinematic: you don't need to be handsome to look good on film.

Not everyone in the business is professional. One day I found myself in an East End warehouse with bicycles on the wall, surrounded by six women, two of them German.

They began by discussing my dental shortcomings and followed up with demands that I "do something sexy".

I said I couldn't, and wouldn't. This they ignored.

Questions flew from every angle about what degree of undress I was happy to appear in.

When I asked "Are you a fashion house?" the answer was a mysterious "Kind of..."

When the conversation turned to the telepathic benefits of a degree in psychology, I was ready to leave.

Recently, I was interviewed for a music video. The brief was to lie in bed for 12 hours while superimposed computer graphics transported me on an out-of-body experience.

This was accompanied by a guardian angel, with dance music thumping over the top. Not bad work for £400. I didn't get the job.

The most difficult character on the circuit was Cuthbert.

It seemed that success this time depended on how well I managed his personality problems.

He demanded a lot of attention, and sulked melodramatically at the slightest affront.

When he jumped on to my chair, I was afraid to reclaim it. Cuthbert was a three-year-old dog, and from him I learned a lot about the fashion industry - more, even, than from the woman with turquoise-tinted contact lenses who shared a flat with him in Earl's Court.

Modelling is a wonderful way to see the world, and I have come across parts of London I never knew existed. I'm very happy about that.

As for the money, I haven't seen a penny yet.

PROPERTY

On the Move Over-valued and unsold

Anne Spackman detects greed

Buyers in the country house market should beware greedy sellers. In its latest country review, agent Knight Frank reports that asking prices rose 19.6 per cent in the six months to the end of May, whereas prices paid rose by only 12.9 per cent. The report warns that despite shortages of stock "over-valued properties are proving increasingly difficult to sell".

This year's price rises, following an 11 per cent increase in 1996, mean the average manor house with 15 acres and staff cottage now costs more than £1m in all parts of south-east England, with the exception of East Sussex - where the figure is £950,000. Knight Frank says the ripple of recovery extends across England and Scotland in this market, although cottages in Wales are still difficult to sell.

With UK property now more expensive for overseas buyers than at any time this decade, UK buyers dominate the country market. They make up 86 per cent of Knight Frank's buyers and 70 per cent of their buyers over the £1m mark.

In London, overseas buyers are declining as a proportion of the market. In its latest monthly survey, the Royal Institution of Chartered Surveyors says: "The strong pound, coupled with rising prices, has meant that buyers from abroad have found moving to Britain can be up to twice as expensive as two years ago."

However, the London market has begun to quieten. More than 80 per cent of RICS agents in London were reporting prices rising in the months from February to May this year. In July, that figure had fallen to 56 per cent - lower than the figure for the south-west, south-east, East Anglia and the West Midlands.

New York soars

While the heat is subsiding in the London market, it is rising in New York. The Corcoran Group, whose database covers more than 45,000 sales in the city, says prices for family homes reached a five-year high in the first six months of this year. Prices for properties with four or more bedrooms rose by 32 per cent in the year to June. The number of sales above \$1m also rose by 36 per cent.

Barbara Corcoran, the group chairman, says an improvement in the quality of life in New York City, coupled with record Wall Street bonuses, has caused this leap.

The average sale price of a Manhattan apartment has gone up 17 per cent in the past year to \$464,000.

Prime estate

One of the most substantial properties on the market this autumn is Culham Court on the Berkshire/Oxfordshire borders. Set on the banks of the Thames, equidistant from the M40 and M4, the estate includes a listed Georgian manor house, outdoor swimming pool, stables, a farmhouse and six cottages and nearly 700 acres of land. Knight Frank has set a guide price of £8.5m.

Steel and glass

Sevills is selling a stunning contemporary lateral apartment on the top floor of a house in South Kensington. The 2,000 sq ft of space has been divided into two 35ft reception rooms, one with a stainless steel, maple and granite kitchen, the other a living room with glass atrium.

There are two bedrooms, two bathrooms, a study and a roof terrace, and the asking price is £875,000.

A big step towards long-term changes in the ownership of housing in central London was made with the Leasehold Reform, Housing and Urban Development Act 1993. But long term is the key phrase.

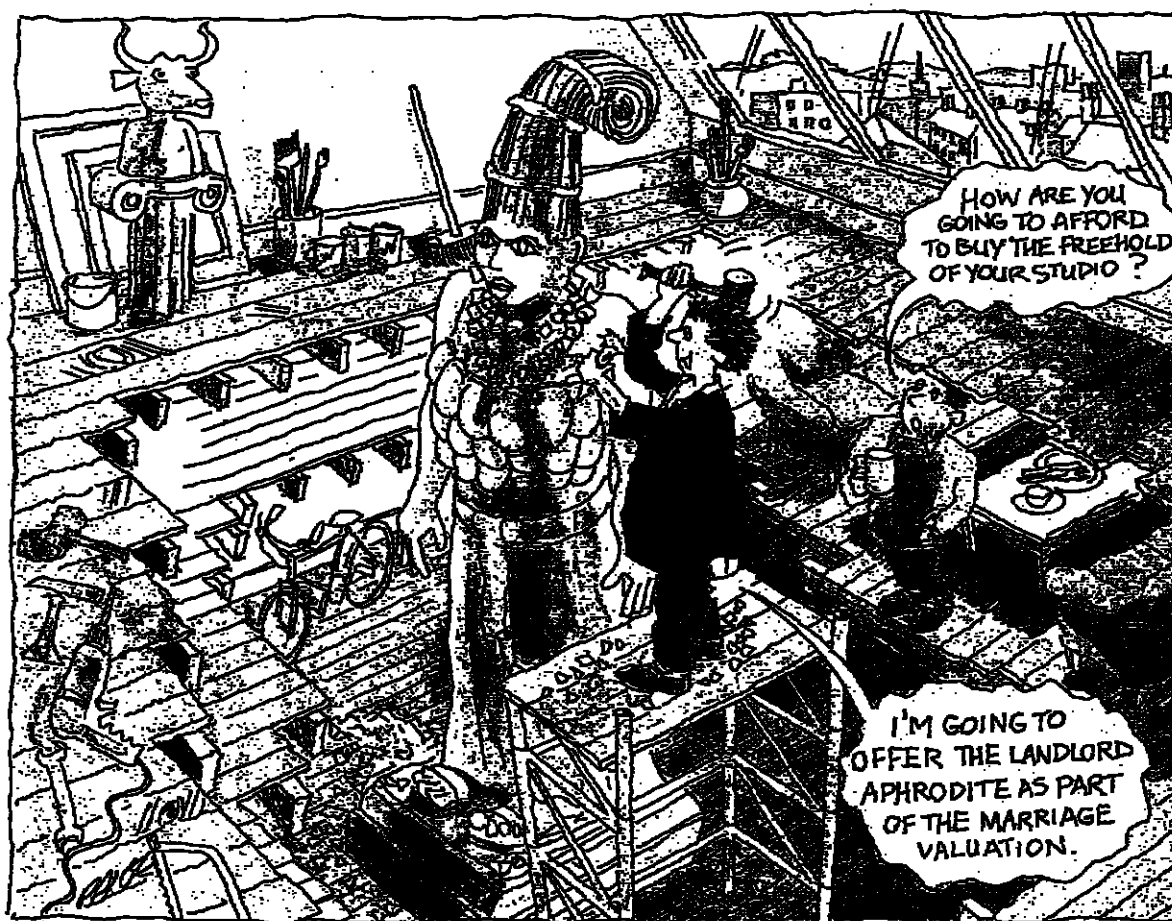
The transfer of freeholds or new leases from the great estates, such as Grosvenor and Cadogan, to the residents takes time, determination and money on the lessee's part. Nowhere does the act hint that it will be a cheap process; it envisages that parties will be a willing buyer and a willing seller. That is often not the case.

The 1993 act, together with the Housing Act 1996, expanded the principles of the Leasehold Reform Act 1967 to extend enfranchisement (securing the freehold) to higher value houses in London and allow, for the first time, the collective enfranchisement of blocks of flats or 90-year lease extensions for individual flats. After almost four years, its systems are working fairly well, surveyors agree, as a body of case law builds up.

But there are still "grey areas and untested principles which will need clarification by the Lands Tribunal", warns Michael Duncan of W.A. Ellis, which acts - though not on the same estates - both for landlords and tenants (leaseholders).

The Lands Tribunal is the superior body to the Leasehold Valuation Tribunal, which hears cases that cannot be resolved privately. Duncan cites the issue of how the marriage value should be apportioned on leases with a few years left to run. As the third edition of *Understanding Leasehold Enfranchisement* by Charles Boston and David Radford explains, marriage value is the difference between the open market value of an unencumbered freehold and the aggregate of the open market values of the freeholder's and the leaseholder's interests in a leased property. Thus it is the additional value released by merging the interests.

The way to understand these interests is to see them as rights, with a balance between them that tilts as the lease runs down. The freeholder has the right to collect the ground rent and



Blocks removed

Gerald Cadogan reports on greater opportunities for leaseholders

take the property back at the end of the lease, while the leaseholder has the right to occupy the property for the term of the lease. As the term declines, the balance tips in the landlord's favour.

To date, all but one of the LVT decisions on marriage value have split it 50/50. This follows the letter of the 1993 act - that the tenant must pay not less than 50 per cent - but the estates would argue, does not fully reflect the possibility in the act that the tenant could pay more than half in some cases.

The Lands Tribunal will soon hear a case from the Cadogan estate where the landlord hopes to establish the validity of receiving a fuller share of the reversionary value on a short existing

lease. "Cadogan is carrying the banner for landlords," says Duncan, adding that "when some LVT decisions define the ground rules more clearly, there will be less need to go to the lower body."

The idea of collective enfranchisement of blocks of flats - often converted houses rather than purpose-built apartment buildings - was generally received with enthusiasm, but is now suffering of a damp squib.

Why? Mainly because tenants cannot, or will not, put up the extra cash to buy out the freehold of others in the building who refuse to join the enfranchisement. Or they do not want the hassle of attending meetings of the nominee company that be-

comes the landlord. Or they cannot agree how to divide costs between the flats.

But the 1993 act's alternative of an individual 90-year lease extension for a flat is popular - it does not have to involve the neighbours. Adding 90 years to a typical lease with 30 to 40 years left creates "a virtual freehold".

Charles Boston of valuation surveyors Boston Carrington Pritchard, thus satisfying the anxieties of mortgage providers.

"It is a pity the act did not go further and offer a 99-year extension," adds Boston. Although the 90-year extension is renewable, it is ironic that the effect of this provision in a reformist act is to perpetuate the traditional system.

The Grosvenor estate has been offering new 75-year leases for the bigger houses, which the 1993 act brought into the enfranchisement net. This is cheaper for leaseholders than enfranchising - and a disincentive to embark on that arduous journey.

Grosvenor is earning high marks from surveyors and its tenants for its pragmatic approach to leaseholders, and a willingness to offer an extension even when some details may not qualify under the act - such as a lease extension for a flat held in a company name.

The 1993 act excludes company leases because, while a company may be a tenant, it can never be a resident. Most people only tend to

start enfranchisement proceedings, Boston finds, when they are about to sell their house. Then they can put it on the market at a higher price, since it has the bonus of an agreed enfranchisement claim which can be assigned to the buyer; a buyer has no chance to qualify until he or she has lived in the house for three years.

Robert Orr-Ewing of Knight Frank, who has about 50 such cases on the go at any one time, finds that, if the deal can be made direct with the estate without going to the LVT, it may be finalised in a month.

But many cases are referred to the LVT, Duncan notes, "because of a lack of purposeful negotiations between the parties". The prospect of having to go to the tribunal is "the only way to make them focus", and often they settle the night before or even on the steps of the LVT.

What changes might Labour introduce? Perhaps allowing more blocks of flats to qualify by raising the threshold for buildings which are partly in commercial use from 10 to 20 or 25 per cent. This would mean a block with shops on the ground floor need be only four or five stories high to qualify, and not 10 as at present. The government could also harmonise the rules on residence.

Individual cases of enfranchisement or extension now require three years' residence to qualify, though it is only one year for at least half the tenants for collective enfranchisement. Labour may decide on one year for all. It could also help the transfer of non-qualifying (eg company) leases to anyone who might qualify later - which landlords often resist.

On Monday, the 1996 act's new regulations on valuation tribunals come into force, allowing the them to settle disputes about service charges and insurance, decide on challenges to proposed building works, and appoint new managers. Applicants will pay a fee of £500, which the LVT may direct the other party to reimburse.

Understanding Leasehold Enfranchisement, 3rd edition (1997), £20, from bookshops or Boston Carrington Pritchard (0171-584 3899).

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Worldwide Residential Property Supplement

Saturday, September 20

The next worldwide residential property supplement is scheduled for September 1997.

As with this issue, our authoritative editorial will cover current property news and a variety of entertaining articles.

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Weekend FT

PROPERTY

When a sale was less than welcome

Gerald Cadogan looks at a deal between two charities in prime South Kensington

It was a vanity purchase by the Wellcome Trust, says Zipporah Mainwaring. Two years ago, Henry Smith's Charity, of which Mainwaring is a tenant, agreed to sell for about £250m its 58-acre estate of houses and flats in South Kensington, London, to Wellcome, the giant charity that supports medical research.

But Wellcome sees it as an excellent long-term investment. "We aim for a partnership between the lessees, freeholders who have enfranchised and ourselves so as to ensure that it remains one of the best places to live in London," says Paul Clarke, Wellcome's property investment manager.

But, in what the tenants considered surprising haste to complete the sale of property that Smith's had owned for 355 years, the charities followed an odd legal route.

It amounted to an obstacle course for the tenants in the blocks of flats (leaseholders and ordinary rent-payers) who wanted to exercise their pre-emptive rights under section 5 of the Landlord and Tenant Act 1987 to have first refusal to buy their freehold.

The notices arrived when many tenants were away on holiday, which made the charities look as if they hoped to slip the deal through with few tenants taking up their section 5 rights.

Section 5 is the crux. It says that the selling freeholder must give 90 per cent or more of the qualifying tenants at least two months' notice to register their interest in buying the freehold collectively, at the price the landlord has already agreed with a third party.

At least half the qualifiers have to reply within the two months for their buy-out to proceed. (This right does not apply to leasehold houses, nor to blocks where an intermediary holds a head lease.) It is a different part of the law from leasehold reform, even though the result - enfranchisement - can be the same, and the price is less for tenants than buying under the Leasehold Reform Act 1993, since it does not include half the marriage value of the block (see page X).

This turned the process round and put the onus on the tenants to start the procedure

At the end of July 1995, instead of Smith's sending out two-month section 5 notices, Wellcome sent out notices under section 18 of the 1987 act, which demands that the tenants reply in 28 days. Had they received a section 5 notice? It asked. If not, did they want one?

This turned the process round and put the onus on the tenants to start the section 5 procedure.

To the tenants, this procedure looked as if it was intended to frustrate the purpose of section 5. Mainwaring at once issued a writ to the effect that Smith's should have served section 5 notices.

Other tenants rushed to chase up the signatures of all those on holiday and, by the end of section 18's 28 days, over two-thirds of the blocks collectively said they wanted section 5 notices.

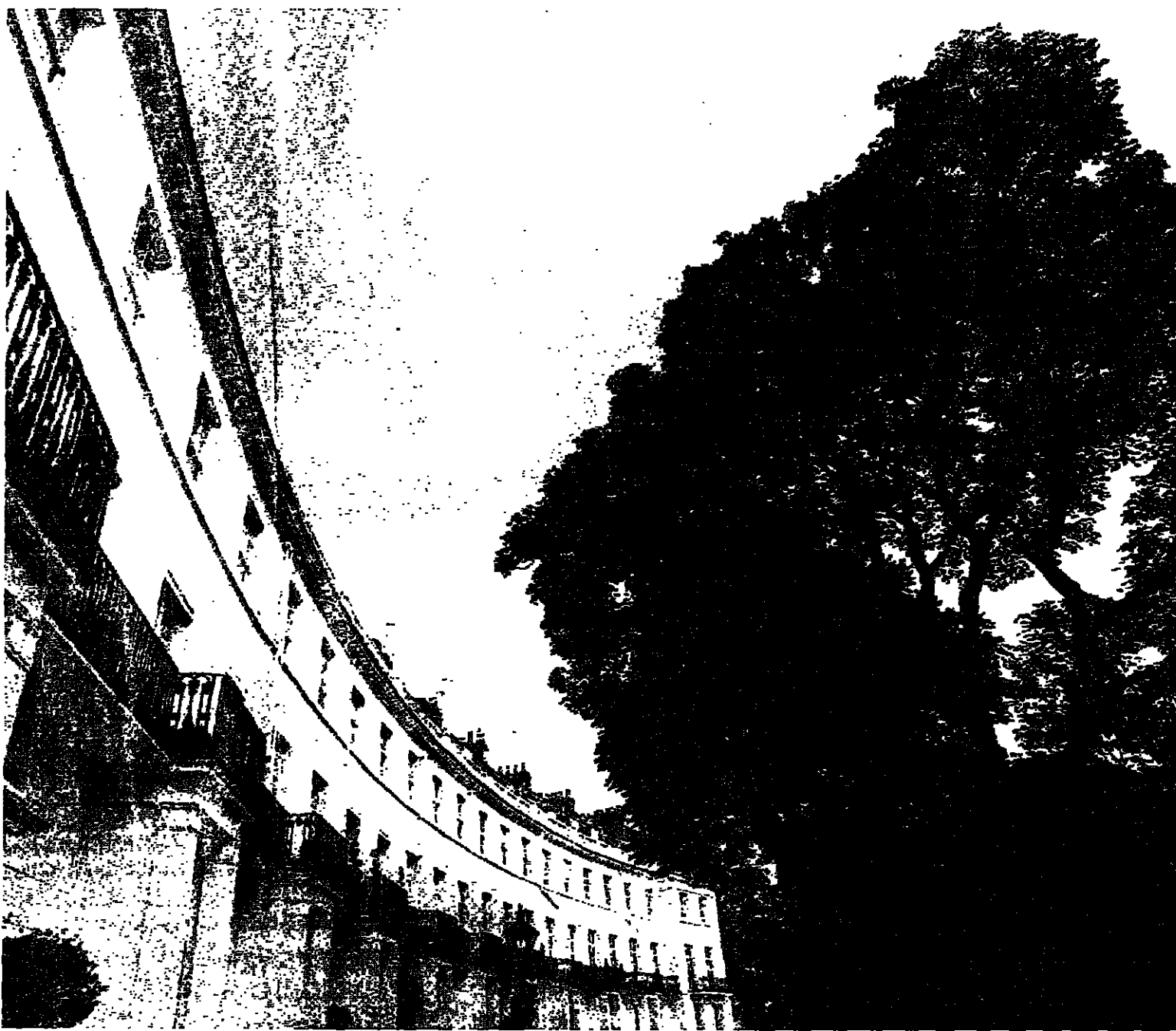
In the following months, Mainwaring emerged as a Boadicea, leading Smith's tenants. She lost her case in the county court but appealed and, representing herself against an eminent QC for Smith's, won in the Court of Appeal. Lord Bingham, then Master of the Rolls, directed Smith's to serve the section 5 notices.

There were other complications - and legal wrangles - in the story. Before the Wellcome deal, Smith's had applied to the Leasehold Valuation Tribunal for approval of an estate management scheme. (The 1993 act allows landlords to set up these schemes in order to maintain the appearance - and hence the value - of an area, even when the estate is losing properties to enfranchisement.)

Any sale of a block was dependent on approval being obtained from the LVT for the management scheme. But there were so many objections to the draft scheme from the leaseholders that it did not receive approval until November 21 1996.

In the meantime, it became clear that the interests of Wellcome and Smith's were diverging.

The 1993 act had triggered Smith's decision to quit residential property ownership. The trustees realised that over half the charity's assets "were held in a very politically sensitive area", says the 1995 annual report. (The report also provides details



Housing crisis: the Wellcome Trust's Pelham Crescent, part of 'probably the largest and certainly the most complicated real estate transaction' in the UK

Brendan Carr

of grants of £14.9m, given mainly for medicine and social work.)

While looking for a suitor, the charity not only set the management scheme in motion, it also sold 105-year extension leases on flats to existing tenants, which would prove a disincentive to any thoughts of enfranchising. On any sale, it would have received both the money for the new leases granted before the Wellcome deal, as well as what Wellcome paid.

For Wellcome, the South Kensington estate is a small, but high-profile, part of an

£28bn (as of September 30 1996) portfolio which produced £249m in 1995-96 for funding medical research.

Two years on, what has happened in what Smith's annual report calls "probably the largest and certainly the most complicated real estate transaction" in the UK? As a result of this hullabaloo, the previous government's Housing Act 1996 changed the law. In future, if selling freeholders fail to serve section 5 notices on qualifying tenants at the start, criminal sanctions may apply.

Smith's now derives most

of its income from stock exchange investments. It also has an agricultural estate in Nottinghamshire, and has been putting £50m of the money from selling its South Kensington estate into commercial property.

Wellcome has ended up with 93.6 per cent of Smith's estate of a total 711 properties, as measured by purchase price and, of the 168 qualifying blocks of flats, 48 have gone to the tenants. Because the price was fixed at August 1995 (though subject to an indication that "was probably less than RPT", says Roland Cullum of

Cluttons, Smith's and Wellcome's managing agent), tenant-purchasers have benefited from the rise in Kensington property prices of 25 per cent since then. Smith's and Wellcome had agreed a revaluation clause for March 1997.

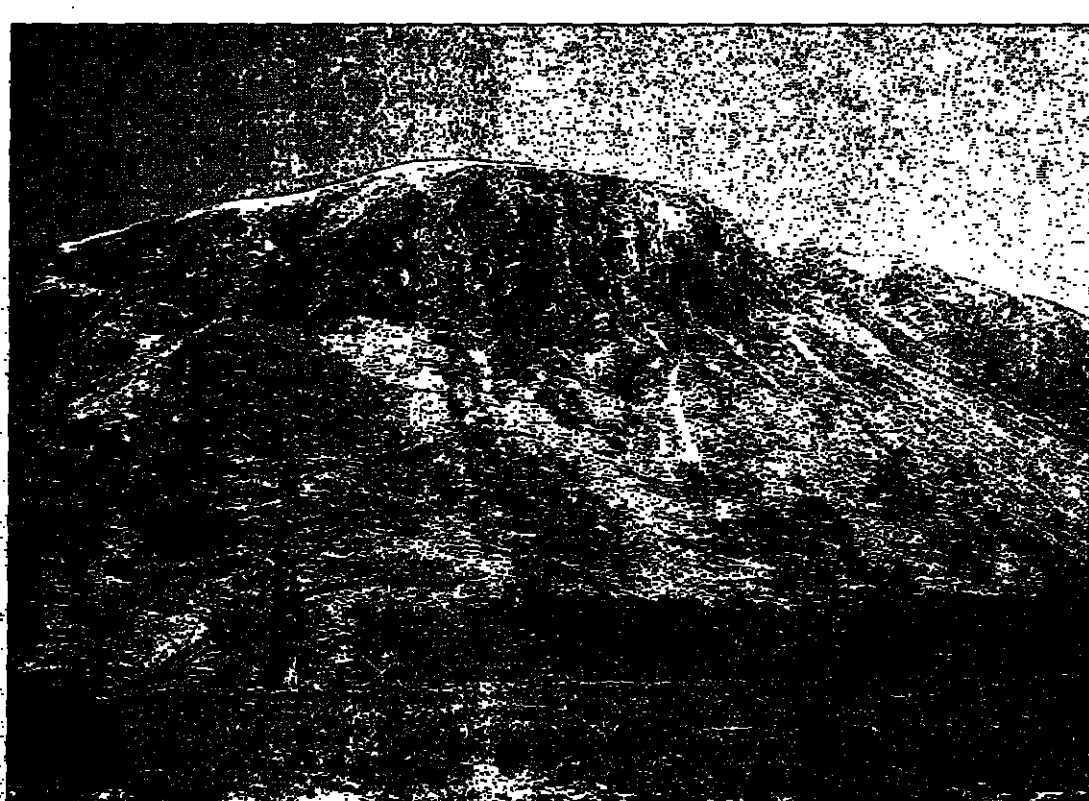
In running the estate, Wellcome is "feeling its way", comments Michael Duncan of WA Ellis, who has been much involved. Wellcome's Clarke says: "We are taking it gently." In accordance with the Charities Act, "we have a duty to respect lessees' rights - such as enfranchisement."

At present, Wellcome is not granting 105-year leases for flats. "We are refurbishing flats to let them on assured shorthold tenancies," it says - thus providing income for the charity.

Wellcome is working on revising the management scheme; for instance, it plans to change the word "landlord" to "guardian", symbolising a fresh outlook among the estate owners of prime London. And, though it will keep a strict eye on the work, it would like enfranchising freeholders to arrange their own maintenance.

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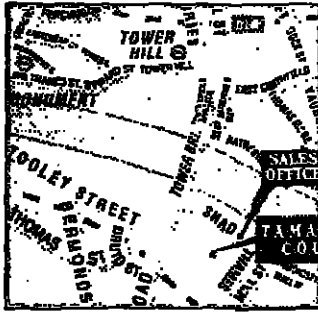
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FOOD AND DRINK

Hotels

You just can't get the class these days

Giles MacDonald conjures up a couple of quibbles about Berlin's new Adlon Hotel

It didn't last long, the old Adlon, but in just 38 years it achieved an unrivalled fame as Berlin's swankiest hotel. The Esplanade across the Tiergarten might have boasted more noblemen, but the Adlon lodged more film stars and more of what passed for the international jet set in those days: the yacht set perhaps.

It survived the war but soon afterwards the building was gutted by a mysterious fire. The shell lived on in an infamous doo-house at the centre of the old Russian Sector. Then in 1964, it was pulled down as part of the move to turn the Pariser Platz, Berlin's "drawing room", into a windswept nothingness, an expanse of tarmac behind the Brandenburg Gate, patrolled by a small army of Soviet soldiers.

Then the "dream became reality" as the hotel's manager put it last week. The

Kempinski Group (which acquired the rights from the Adlon family) decided to rebuild the hotel on its original site.

Not a copy, not really a pastiche, but a new hotel with vaguely classical lines and art-deco features, which aimed to take its rightful place as the city's best. The Adlon as it was in spirit, if you like. And the old Adlon legend has been revived too: *Adlon oblige*.

Of course, Kempinski has its eyes on the government, which is due to take up residence in 1999. As there are no plans to rebuild a government guesthouse in Berlin, the regime will require hotel

rooms. The right security measures have been taken, there are the necessary meeting rooms and facilities.

How much the Adlon has been able to conjure up the feeling of luxury which existed in its heyday is not easy to say.

There is simply not so much "class" about now: fewer princes and maharajas; fewer stylish film stars; more fashion designers, pop stars and, above all, business people on expenses.

In this light, the hotel's rooms, although a little on the small side, are everything you could wish for with their restrained art deco detail. And what a joy

it is to look out on the Brandenburg Gate and the green expanse of the Tiergarten beyond: this is certainly the best view in urban Berlin.

The "gourmet" restaurant (how many times must I say this: the word is "gourmet") does not open until September, but the airy dining room downstairs – the famous terrace on the Pariser Platz is to be recreated – was able to provide me with some cleverly adapted Berlin staples: an aspic of pork knuckle (a little under seasoned), little *quenelles* of smoked eel and dill and excellent *veal bouillottes*; a *poussin* cooked to an excellent recipe (Hedda Adlon

invented the story that the great chef had worked there); and a *roste Grise* – generally a sort of red berry soup – which had been bound in that other Prussian speciality, *Bismarck*. All that worked. What didn't was the lobby. The more I looked at it the more I hated it.

It had no grace and no harmony, it was squat and bitty, neither modern nor traditional: nothing. And the bar was more than an error: it was a crime.

The old Adlon bar, dark and discreet, had been the pulse of Berlin. Here you

came for off-the-record briefings or political leaks, plots, or simply to meet the movers and shakers.

No one will use this open-plan bar for anything serious. At best, it is a place to down a swift half while your wife is upstairs changing her dress.

The hotel has been taking in guests for months now, but the official opening, complete with speeches and a lavish ball, was only last Saturday. The ceremony was attended by the federal president, many ministers, the last DDR prime minister, Lothar de Maizière, the controversial chief minister of Brandenburg, Manfred

Stolpe and an impressive bunch of barrel-chested security gorillas.

Governing mayor Diepgen's speech was the most fluent – Percy Adlon's was in verse, or worse. He described the re-creation as "unimaginable", and he was right.

Watching the friendly explosions of the fireworks over the Pariser Platz and the hundreds of guests in black tie milling about the square with glasses of champagne in their hands, you had to concede that much: in just eight years we had travelled backwards, forwards – who knows which? – from the grim days of DDR social-

ism to a world of elegance and luxury.

As the fireworks burst over the Brandenburg Gate, you could see the gaps about to fill up with the French, American and British embassies – the latter will be round the corner in the Wilhelmstrasse by 1999 the old square will be back where it was.

Champagne and an optimistic mood had intoxicated the guests that evening: the Adlon was back, why quibble? I put the world to rights with a Baltic baron whose ancestors must have used the place in their day, and finished up, a little the worse for wear, drinking gimlets with a brace of young *Junkers* whose family had migrated to Bonn after the war.

Now they were back in the Prussian capital, and so was the Adlon.
Information: The Adlon Hotel 00 49 30 22 616. Rooms DM420 - DM500.

A real taste of Jewish cooking

Nicholas Lander enjoys Claudia Roden's authoritative new book

Although I never tasted my grandmothers' cooking – supposedly the epitome of Jewish food – having 10 aunts was more than adequate compensation.

One made the lightest cheesecake; another seemingly infinite quantities of chopped liver while a third made the finest chopped herb, a plate of which, my Russian grandfather maintained, was – together with a glass of Scotch – the only way to break the fast of Yom Kippur.

Memories of all these foods and flavours, even the image of the large round pan over which my mother worked all day to make chopped and fried fish, came flooding back as I read Claudia Roden's *The Book of Jewish Food*, a book destined to join the most respected culinary ranks.

It will do so because it is far more than the sum of its parts – history, geography, recipes and the reconstruction of communities long since destroyed – and because it is so obviously a labour of love. It is enhanced too by evocative black and white photos, Jewish jokes and definitions – a bagel is a doughnut with *rigor mortis* – and will appeal to non-Jewish readers, too.

Roden has spent the last 16 years researching the book, constrained initially by her budget but also, she admitted, by the personal nature of the book she wanted to write. "I wanted to wrinkle out the authentic recipes and this took time and a great deal of patience."

The intriguing ways in which Roden, the culinary detective, tracked the recipes down, is a prelude to many. The accompanying recipe for *leek kasha*, or *trifles*, from the Jewish community in Turkey began initially with a letter. When Roden arrived in Izmir, she was given the address of a Jewish caterer – and the hunt was on.

"To reach the restaurant you have to pass through a courtyard, into a warehouse and up a flight of stairs. I got lost and telephoned and a young waiter came out to fetch me. The owner, a young Moslem, explained through a Jewish client that his father had been the cook for a Mr Levi who had died 22 years ago and he had carried on in exactly the same way as in the time of Mr Levi. He explained that the food was half-kosher."

Roden shows great lightness of touch no matter what the subject – even when a hot spice mixture cooked by an Ethiopian Jew reduces her to tears.

There is a fascinating chapter on the three distinct groups of Jews in India, the Cochinis, the Bagdadis and the Bene Israel who were only "discovered" 300 years ago. The Bagdadis had also settled in Burma until the Japanese occupation and a recipe for chicken croquettes, Burmese style, remains today the sole vestige of this era.

The same sympathetic treatment is given to the food of the Bukharan Jews, the influential Jewish community which existed in Samarkand, Greece, and boasted its own evening newspaper, written in French; and the food of the Syrian Jews where prospective brides were judged, among other things, by their dexterity in rolling *khalek*, refined dumplings of pounded meat and cracked wheat or rice with a meat filling.

Roden's long period of research has produced fine syntheses of Ashkenazi food (the Jews of Russia, Poland and Germany) and of the Sephardi world (the Jews of Spain and Portugal who migrated across North Africa) and Roden speaks authoritatively of the intermingling of the two, often peaceful and mutually beneficial, between Jews and Moslem neighbours.

Fascinating facts emerge. *Cholent*, the slow cooked dish designed specifically for the Sabbath, for so long considered a German dish, came originally with the Jews fleeing expulsion from the Languedoc, in France in 1394 – carrying the recipe for cassoulet with them.

Jews in Seville in 1600 gave themselves away to the inquisition by not lighting fires on the Sabbath. All an inquisitor had to do was climb a tower to spot



ALBONDIGAS DI PRASA

(Lamb meatballs)

500g fennel, 2 small potatoes, 250g lean minced beef, 2 eggs, salt and pepper, flour, sunflower oil for frying.

Trim and wash fennel, cut into pieces and boil with the potatoes until they are very soft.

Drain and, when cool enough to handle, press them between your palms as hard as you can to get out as much water as possible.

This is very important.

Place fennel, potatoes, meat and one egg into a food processor with about ¼ teaspoon of salt and pepper and blend to a soft paste. Shape into flat, round cakes about 6cm wide and dip in flour on a plate. When you are ready to deep fry, dip each into the remaining beaten egg, and lower gently into sizzling oil. Lower the heat, to avoid browning them too quickly, and turn over once. Drain on kitchen paper and serve hot.

BRINJAL KASAUNDI

(Aubergine Pickle)

A specialty of the Bene Israel of India. The aubergines cut into 1.5cm slices, salt, ¼-1 fresh chilli, 5cm fresh ginger, 7 or 8 cloves garlic, 1 tablespoon ground cumin, 250ml wine vinegar, 250ml sunflower oil, 1 tablespoon mustard seeds, 1 teaspoon fenugreek seeds, 6 curry leaves (optional), 1 teaspoon turmeric, 100g sugar.

Soak the aubergine slices in salted water for one hour to extract the bitter juices, then rinse and dry.

In a food processor, blend the chilli, ginger, garlic and cumin to a fine paste using a little vinegar to moisten.

In a large saucepan, heat 2-3 tablespoons of the oil. Add the mustard and fenugreek seeds, and when these crack add the curry leaves, chilli and ginger paste. Fry, stirring, until the oil separates out and the mixture becomes a rich golden colour.

Now add the turmeric, vinegar and sugar and stir well. Put in the aubergines, bring to the boil and simmer gently for about 30 minutes or until the aubergines are tender. Cool before pouring into a jar. Cover with the remaining oil.

the smokeless homes.

And, more recently, couscous has now replaced gefilte fish as the favourite food of Israeli soldiers on a Friday night – because of the huge influx of North African Jews into Israel.

As a book to cook from it offers one original bonus yet suffers from two small

faults. The bonus is the inclusion, after almost every recipe, of at least one or two variations – either culinary tips or the addition of different ingredients such as chopped gherkins instead of capers with the Moroccan "cigars" (rolled from filo pastry) with tuna.

The faults are the consequence of the book's geographical sweep and inclusion of 800 recipes. Some are superfluous – such as the one for *uvarst* and eggs – and this makes the book almost too unwieldy. You would want to take only the scrabbled recipes with you into the kitchen – and leave the book on the shelf.

■ A \$306 two-night gourmet package is on offer at the Marignan Elysées hotel in Paris until the end of February. The package, based on double occupancy, includes a dinner at the hotel's *Table du Marché* restaurant, breakfasts and a welcome gift on arrival. The *bistrot* chic menu is overseen by young chef Christophe Leroy who made his name at the *Marché* in St Tropez. The Marignan is off the Champs Elysées and within walking distance of the Eiffel Tower. Call 0600 283 585 toll free.

Julia James

Appetisers

Paris in London

lapin à la moutarde, andouillette à la dijonnaise and other nostalgic *bistrot* staples are cooked by a couple of young French brothers.

The wine list puts a healthy emphasis on the Loire Valley. £20 including wine, therefore comes as a pleasant surprise: warm duck or *picnic* salad.

■ A big turn-out is expected in Edinburgh and Speyside for Scotland's inaugural International Scotch Whisky Festival between October 27 and November 2.

On Speyside, there will be cooperating demes, cellars, walks to former illicit stills and sheuens and blend-your-own-dram sessions. The Edinburgh focus will be on Drax Central (the Assembly Rooms) and the

Scotch Club (The Palladium, Broughton Place).

For £3, visitors to the Dram Centre can sample a classic malt, imbibe some Gaelic culture, taste the Gaelic whiskeys and Dram-bus on ice. Taste of Scotland and whisky demonstrations will be hosted by top chefs. Details from 0131-655 7441.

Alex Mourousmith

Dinner Parties/Jancis Robinson

The clever choice for smart sets

Much as we may hate to admit it, most of us care deeply what others think of us. And, in the late 20th century, the sort of wine we choose to serve has joined the choice of car we drive and clothes we wear as a socially significant marker.

These are crazy, irrational anxieties but that does nothing to ease our worries about choosing the right bottles.

This is probably why the most popular article I ever wrote for this paper was that which suggested wines to impress reasonably knowledgeable, sophisticated dinner guests. That was two years ago. The entertaining season will soon be upon us, so here is an update.

The most obvious choice of white wine for a first course is white burgundy, which can be delicious but is often a heady disappointment that can seem too heavy at this stage of the evening, unless something equally rich, perhaps heavily sauced shellfish, is served with it.

Berry Bros & Rudd, of London SW1, has some delicious 1995 Meursaults from Domaine Michel Bouzeau. Already welcoming and deep-flavoured, Les Grands Charrons at £18.50 would please the pickiest of guests, although it could be kept for another year or two (the lively Genevrières at £28.50 is one to keep for the next century).

A much more original choice than a white burgundy, however, would be a leaner white wine that would stimulate both the appetite and the intellect. Galicia in north-west Spain is a fine source of such wine. Fine Wine has the spicy, Horacio-flavoured, almost Viognier-like Rutz Cellars 1993 Russian River Chardonnay at £12.99 and Talley's 1994 Arroyo Grande, all butterscotch but, miraculously, not at all sickly, at £14.99. This is a wine for hosts who are determined that their guests should notice what they provide.

Or, for those who like a hint of acidity in their Chardonnay, there is New Zealand. Particularly good value is Linden's 1996 from Hawkes Bay, very smooth and integrated and £2.99 from Majestic – much the best of Linden's range.

Those who favour discretion in their Chardonnays would be better with Bouchard Finlayson's Kaimarama 1995, a very cool and suave customer for £8.95 from Waitrose's Inner Cellar collection, available at top stores. From just next door on South Africa's coolest coast is Hamilton Russell Chardonnay 1996, £10.99 from Oddbins Fine Wine, a wine that, like Chardonnay everywhere, is becoming finer with every vintage.

■ Next week: dinner party reads

may Milmanda (about £16.50 from Wine Rack, Bottoms Up and Lay & Wheeler of Colchester), which seems to have become so much more refined from the 1994 vintage on, would hardly please them coming as it does from north-east Spain – although with its fashionably smooth-yet-intense mouth feel, its obvious structure and its lack of oakiness, it is the epitome of fine modern Chardonnay.

A barometer of this inconstant commodity's evolution has been Rosemount's Hunter Valley Show Reserve Chardonnay. The 1995 vintage, for the first time ever, deserves the epithet delicate – quite a turnaround for an Australian flagship. It is £9.99 at Waitrose and Safeway and reflects the character of some new, cooler vineyard sources.

Somewhat similar, and made by the same wine-

For those who like acidity in Chardonnay, there is New Zealand

maker, is Marks & Spencer's Rose Label Orange Vineyard 1995 Chardonnay at £11.99 from the cool, new grape-growing district of New South Wales, Orange (as you may let slip to your guests). Either of these should please anyone, although they are hardly out.

Top California Chardonnay should do the trick, and one of the few retailers to take as seriously as Oddbins Fine Wine is the spicy, Horacio-flavoured, almost Viognier-like Rutz Cellars 1993 Russian River Chardonnay at £12.99 and Talley's 1994 Arroyo Grande, all butterscotch but, miraculously, not at all sickly, at £14.99. This is a wine for hosts who are determined that their guests should notice what they provide.

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■ Next week: dinner party reads

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مكذمان الشرح

Independent Schools: FT 500

Girls spring a surprise in leap up the tables

Simon Targett takes an analytical look at position and performance

Tradition, together with wealth built up over the centuries, has long played a crucial part in determining positions of schools in the upper echelons of the FT-500 league table. But not this year.

Winchester College, a traditional boarding school dating back to 1382, may have topped the list, with pupils averaging three A grades at A-level, yet the premier league looks strikingly different from previous years.

One reason is that Eton College - founded by Henry VI in 1440, and by far the richest school with assets worth £131m - slipped to 14th out of the top 10 for the first time since the FT-500 was launched six years ago.

This drop is mirrored by a dip in the performance of rival traditional schools: Repton (1567) down 216 places, King's School, Rochester (1542) down 168 places, and the Perse School (1615) down 46 places from third last year.

A bigger factor, however, is the spectacular rise of girls' schools.

Nearly two-thirds (19) of the top 30 are girls' schools, compared with fewer than half (14) last year, and stars such as North London Collegiate and St Paul's Girls' School have been joined by a host of less famous academic hot-houses which have shown a startling improvement over the past 12 months.

Withington Girls' School has jumped 18 places to seventh, St Helen and St Katherine has leapt from 44th to 10th, and Oxford High School has risen 59 places to 12th.

Of course, school league tables need to be read with caution. Eton may have dropped out of the top 10, but the school's 264 A-level students (the largest entry in the country) still achieved an impressive average of AAB, sufficient to secure entry to the top universities.

Also, the fall to 14th has not dented Eton's outstanding five-

The FT top 30 independent schools

Rank	School	Town	County	5 year rank	FT score	UCAS points/entry	UCAS points/entry	Boys girls mixed	Type
1	Winchester College	Winchester	Hampshire	3	1.46	8.94	31.74	Boys	Board
2	Westminster School	London	Greater London	2	1.45	8.77	31.69	Boys	Day
3	Hepworth's Aske's School	St Albans	Hertfordshire	10	1.42	8.91	30.24	Boys	Day
4	North London Collegiate School	Edgware	Greater London	5	1.40	8.89	28.40	Girls	Day
5	St Paul's School	London	Greater London	1	1.40	8.89	30.23	Boys	Day
6	Bedlington School	Bristol	Avon	32	1.39	8.75	26.29	Girls	Board
7	Withington Girls' School	Manchester	Greater Manchester	17	1.38	8.04	28.01	Girls	Day
8	St Paul's Girls' School	London	Greater London	6	1.37	8.99	27.93	Girls	Day
9	Manchester Grammar School	Manchester	Greater Manchester	9	1.37	8.85	28.34	Boys	Day
10	St Helen & St Katherine	Abingdon	Oxfordshire	61	1.37	8.89	28.03	Girls	Day
11	Wycombe Abbey School	High Wycombe	Buckinghamshire	14	1.38	8.77	28.26	Girls	Board
12	King's College School	London	Greater London	7	1.36	8.88	28.23	Boys	Day
13	Oxford High School	Oxford	Oxfordshire	51	1.36	8.96	28.28	Girls	Day
14	Eton College	Windsor	Berkshire	4	1.35	8.40	28.74	Boys	Board
15	King Edward's School	Birmingham	West Midlands	8	1.35	8.84	28.17	Boys	Day
16	Haberghampton Aske's for Girls	Elstree	Hertfordshire	12	1.34	8.78	27.30	Girls	Day
17	Radley College	Abingdon	Oxfordshire	20	1.34	8.22	28.94	Boys	Board
18	St Mary's School	Caine	Wiltshire	25	1.33	8.87	27.13	Girls	Board
19	James Allen's Girls' School	London	Greater London	31	1.33	8.56	27.40	Girls	Day
20	King Edward VI High for Girls	Birmingham	West Midlands	19	1.32	8.73	26.57	Girls	Day
21	Ipswich High School	Ipswich	Suffolk	131	1.31	8.84	26.57	Girls	Day
22	Godolphin & Leymer School	London	Greater London	19	1.31	8.41	27.21	Girls	Day
23	Rugby School	Rugby	Warwickshire	59	1.31	8.12	27.69	Boys	Board
24	Lady Eleanor Holles School	Hampstead	Greater London	18	1.30	8.18	27.87	Girls	Day
25	St Swithun's School	Winchester	Hampshire	33	1.30	8.56	26.52	Girls	Day
26	South Hampstead High School	London	Greater London	28	1.30	8.46	26.74	Girls	Day
27	Royal Grammar School	Guildford	Surrey	11	1.29	8.26	26.95	Boys	Day
28	Malvern Girls' College	Malvern	Hereford & Worcester	23	1.28	8.23	26.73	Girls	Board
29	Leeds Girls' High School	Leeds	West Yorkshire	76	1.28	8.37	26.26	Girls	Day
30	Downe House	Trattem	Berkshire	34	1.28	8.32	26.28	Girls	Board

year ranking, which remains at fourth - like last year.

Dick Davison, the deputy director of the Independent Schools Information Service (ISIS), which collects the A-level results, is right to warn "that reading one year's league table is as reliable as reading one month's inflation figures".

But there is nothing illusory about the performance of the girls' schools in the table. This is because it is compiled in a way designed to minimise statistical flukes, as well as manipulation by individual schools keen to achieve a high league table position by massaging their results.

The FT's statisticians have based the league table on the UCAS points system - the standard gauge for university entrance developed by the Universities and Colleges Admissions Service - where 10 points

are awarded for a grade A, eight points for a B, and so on.

It means that all grades, not just As and Bs, are taken into account, giving a full picture of a school's academic strength. Also, extra options like the relatively new AS-levels - designed to be as difficult as A-levels but completed over a shorter time - are given credit under this system.

The UCAS points are used to calculate two sets of figures: points per entry, which gives the average grade achieved in each exam, and points per pupil, which gives the average grades accumulated by each pupil across all subjects.

To work out the FT score, which is the basis for the ranking, the points per entry figure is multiplied by three and added to the points per pupil figure.

This complicated calculation, which combines the two meas-

ures, means that the weaknesses of each, and the potential for manipulation, are greatly reduced.

If the points per entry figure had been the sole basis for the league table, then schools could have artificially boosted their position by reducing the number of subjects taken by the pupils. If, on the other hand, the points per pupil figure had been the sole basis for the league table position, then schools could have withdrawn the weakest pupils from taking exams.

As it is, the FT-500 is effectively protected from such manipulation.

A further cautionary measure is the removal of the General Studies A-level score from the overall calculations, since admissions tutors at the "ivy league" universities rarely include this subject in the crucial "condi-



St Helen and St Katherine girls: A-level success has lifted the school's profile

Rob Judson

tional offer" to a sixth-form pupil.

Under these strict rules, the girls' schools have performed better than ever this year.

For Joan Clanchy, headmistress of North London Collegiate,

the top girls' school, the domination of the top 30 by the girls is evidence that a "policy of big investment" to challenge the wealthy elite of boys' schools is starting to pay dividends.

"We have stopped the leak of

our best girls to the boys' schools by spending huge amounts of money on the sixth forms," she says. "It has meant putting up fees to raise the extra money, but

Continued on page XIV

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For further information, contact Angus McPhail M.A., The Headmaster, Strathallan School, Forquard, Perthshire PH2 9EG. Tel: (01738) 812546. Fax: (01738) 812549.



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Independent Schools: FT 500

Girls spring a surprise in tables

Continued from page XIII

the policy of building laboratories, stocking libraries and attracting the best teachers seems to be working."

Cynthia Hall, headmistress of St Helen and St Katherine, which secured a top-10 position for the first time, echoes this view.

"Our school spends £200,000 each year, a four-fold increase in recent times, and we have invested heavily in a new sixth-form common room and library, as well as two new science laboratories."

The school, which educates 550 girls in Abingdon, near Oxford, has just launched a £1m building project.

This includes an extension to the sixth form, and Hall says she is expecting "our biggest lower sixth on record".

There is confidence that girls' schools will continue to score well in the annual league tables:

half those at present outside the top 30, but inside the top 50, are girls' schools.

Yet it all depends how the tables are compiled. Had the FT-500 exclusively used the points per entry system, then the league table would have been topped by Withington Girls' School and St Paul's Girls' School.

By the same token, had there been "value-added" information, then a different league table would have emerged, and this kind of information is likely to be available in the not too distant future.

This worries the girls' schools a little. As Hall says: "Girls tend to perform better at GCSE than boys, so the improvement at A-level might not be quite so startling as the improvement in boys' schools."

But there is little doubt that girls' schools are providing excellent "value-added" education, and this is apparent in the FT-500 league table.

The two most improved schools are for girls. Combe Bank School in Kent rose 228 places, going from 369th to 141.

To do this, the pupils scored an average of roughly BBC, compared with CCD for a school at the lower position. Ipswich High School reached 21st, shooting up 195 places from lowly 218th as a result of pupils achieving an average of roughly ABB.

Other types of schools performed well, including the old-fashioned boarding schools. Ampleforth College jumped from 180th to 75th, adding weight to the view that boarding schools, after a period of decline

prompted by the recession of the early 1990s, are undergoing something of a revival.

Across the independent sector, pupils made a steady improvement, with 31.7 per cent awarded a grade A, up from 31.4 per cent last year and twice the national average, which remained unchanged at 16 per cent this year.

Not all schools take A-levels, which are the basis of the FT-500 league table. Three - American Community School, Marymount International School, Southbank International School - offer sixth-formers the International Baccalaureate (IB).

Two others, Sevenoaks School and Malvern College, offer pupils a choice of A-levels or IBs.

The IB is similar to the A-level, and in the last two weeks, there

has been speculation that the government would like to make the English "gold standard" examination more like the IB, which is a broader qualification comprising a compulsory thesis element.

This makes comparison plausible. So, using an agreed formula, the IB scores have been converted to an A-level score, and this has made it possible for the minority of schools offering the IB to be incorporated into the FT-500 league table.

But, as last year, there is a separate table for the Scottish schools. This is because, while many increasingly offer A-levels, most offer "Highers", a broad-based qualification which is unique to Scotland.

This makes comparison with the English schools difficult since

the norm is to take four or five "Highers" (compared with three A-levels) and courses can last just one year (whereas A-levels automatically take two years).

Gordonstoun School, the Scottish institution where the Prince of Wales was a pupil, does appear in the main list because it only offers A-levels.

The rest, however, including Fettes School, sometimes dubbed the "Scottish Eton" where prime minister Tony Blair studied, appear in a list arranged in alphabetical rather than hierarchical order.

■ HOW TO READ THE TABLES
All schools are ranked on a single scale from 1-476. The five-year rank is based on an average of each school's results for 1992,

1993, 1994, 1995 and 1996. In the FT score, 1.00 represents the average for all schools' schools with a score above 1.00 achieved higher-than-average results. UCAS points are based on the UCAS system - for A-levels: grade A = 10 points; grade B = 8; grade C = 6; grade D = 4; grade E = 2; for AS-levels: grade A = 5; grade B = 4; grade C = 3; grade D = 2; grade E = 1.

A score of 1.00 equates to about 20 UCAS points, or about a B and two Cs at A-level per pupil. The top schools' scores of around 1.48 correspond to about 31.7 points, or better than three As per pupil.

■ Rankings and scores are all based on an average of a school's UCAS points per entry and its UCAS points per pupil, which have all been equally weighted. All details are provisional and subject to correction by the Independent Schools Information Service.

Independent Schools 1997 A-level results

Rank	School	5-yr rank	FT score	UCAS points/entry	UCAS points/pupil	Boy/Girl
1	Bedford School, Bedford	32	1.39	5.72	29.29	Girls
2	Bath High School, Bath	91	1.18	7.71	24.02	Girls
3	Bristol Cathedral School, Bristol	317	0.93	6.16	18.88	Boys
4	Bristol Grammar School, Bristol	79	1.02	7.64	25.01	Mixed
5	Clifton College, Bristol	153	1.01	6.58	20.76	Mixed
6	Clifton High School, Bristol	140	1.09	7.19	21.97	Girls
7	Colston's Collegiate School, Bristol	425	0.81	5.41	16.2	Boys
8	Colston's Girls' School, Bristol	323	0.93	6.16	18.88	Girls
9	Colston's School, Bristol	136	1.02	7.64	25.01	Mixed
10	King Edward's School, Bath	136	1.02	7.64	25.01	Mixed
11	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
12	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
13	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
14	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
15	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
16	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
17	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
18	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
19	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
20	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
21	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
22	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
23	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
24	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
25	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
26	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
27	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
28	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
29	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
30	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
31	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
32	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
33	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
34	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
35	Longwood School, Bath	267	0.92	6.72	20.61	Mixed
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TRAVEL

The ceaseless comforting hum of the city

Jill James experiences the highs and lows of four days in Barcelona

The hotel was smart. Very smart. The dress code was a slight cloud on the horizon for grizzled veterans of Merks and Spencer. "Stylishly casual," we were told. "You know the sort of thing. A Mediterranean kind of casual."

Mindful of the fact that the hotel had hosted some of the world's mega stars - well, Baroness Thatcher and actor Richard Gere slept there (but not together) - we arrived at the Hotel Arts, in Barcelona, hangout for the city's beautiful people, looking, I hoped, stylishly casual.

We stepped from our stretch limo, with flunkies dancing attendance, swept across the lobby, in a Mediterranean kind of way, and took in our fellow guests. No royalty. No head-turning hotshot politicians. No actors or singers. Not even a minor personality from television's *Blue Peter*.

The first accent that fluttered past the check-in desk was pure Essex. We had chosen the week of the International Tyre Traders Summit for our four-day stay.

Goodbye glamour. Hello world. Well, not quite. That evening, as we each sipped a glass of manzanilla sherry on the hotel's 80th floor, a clearly furnished penthouse which overlooks the city and the coast, we felt the buzz that comes with being in a vibrant, reinvented place.

With such stunning views to hand - not to mention a sparkling array of tapes - it seemed a shame to bother leaving the hotel for a jaunt. The following day we rather wondered why we had.

Early evening found us in the grey world of a Spanish police station, exchanging sympathies with a group of English tourists. The policeman, smoking quietly behind the counter, had seen it all before. I filled in my form to say that my purse had been snatched by a gypsy on La Rambla, Barcelona's most famous promenade. A small amount of cash, that was all. The other party was not quite so lucky. Credit cards had also been pilfered.

You would be hard-pressed to think of a city with more bars, cafés and restaurants

Back on the street and feeling a bit down, we made our way past the newspaper stands and the caged bird sellers; past a man doing a striptease, another doing a (bad) impression of Elvis Presley and a host of people pretending to be living statues. On past flower sellers and craft stalls, we reflected on the number of down-and-outs that we had passed along the way.

More than London? Worse than the Tube station beggars? I did not want to dwell on the relative comparisons. It was time to expel gloomy thoughts. And, in all truth, it is impossible to let your spirits flag for long in a city so energetic and essential.

Once again, sherry and tapes was all it took to restore our equilibrium. Our

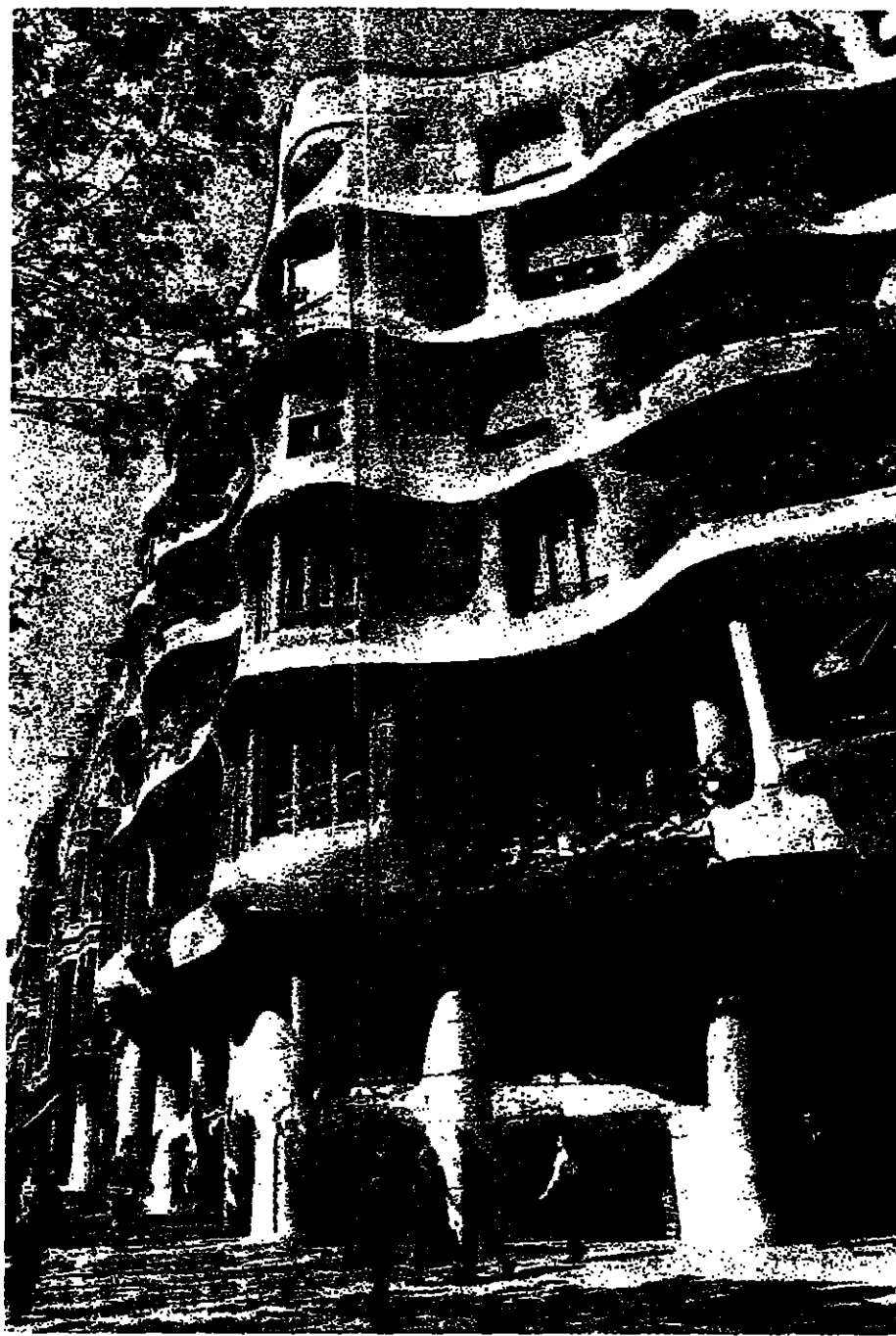
stay coincided with a Spanish national holiday, so the city was a buzz of constant activity. The Catalans, when they are not actually eating, seem to spend their time in search of somewhere to eat. Offhand, I would be hard-pressed to think of a city with more bars, cafés and restaurants than Barcelona - or where greater pleasure is taken over a single *cortado* or a small glass of beer.

The development impetus given to the city by the 1992 Olympics is still evident. The rejuvenated waterfront, once the Olympic village, is now a magnet for the city's *jeunesse dorée* with three miles of beach, a marina and port development and countless restaurants. New building continues apace: the burnt-down opera house is being rebuilt and a new world trade centre is being constructed in Port Vell.

To the short-term visitor it is a city with everything: two mountains which form the backdrop to the Mediterranean, a well-preserved Gothic quarter, wonderful museums, a vast collection of modernist buildings, Romanesque art, extraordinary churches - The Temple of the Sacred Heart on top of Tibidabo has to be seen to be believed. It looks as if Walt Disney may have had a hand in the design - and the world's most amazing cathedral.

I know. I know. You've read the books, seen the photographs, bought the T-shirt, but nevertheless, nothing quite prepares you for your first sight of the Sagrada Família.

It cannot be only man that had a hand in its design. No mere photograph or painting



The Casa Milà, designed and built by Gaudí, in the Passeig de Gràcia, Barcelona

Fay Pictorial

does it justice. Eight spires rise to more than 100 metres and every sculpture and turn in the stone shell, which looks like some gigantic organic growth, has a meaning for those who search.

Begun in 1882, the cathedral started out as an orthodox neo-Gothic church. That was until Antoni Gaudí took over two years later. Until his death he was adapting the plans - evolving might be a better word - and even now, more than 70 years since Gaudí's death, the church is incomplete.

Europe's most astonishing building site. If you take the lift up one of the towers there are wonderful views of the city.

If you take the trolley bus and hunchback to the top of Tibidabo you will see, through the smog, how the cathedral dominates the old centre.

Well after 1am, as the shades on the city rooftops and the Mediterranean below were reluctantly closed, I listened to the ceaseless, comforting hum of the city, a great city. Lorca, Cervantes, Picasso,

Miró and many other less lauded writers and artists had heard it, too, and stayed. I was sure the tyre traders felt the same way.

Jill James's visit was arranged by *Elegant Resorts*. The Old Palace, Chester (+44 1244-891 777). Three nights at the Ritz-Carlton Arts, from September 5 to end November, costs £480 per person including breakfast, return flights by British Airways from Heathrow or Gatwick and private car transfers on arrival and departure.

Eating out in Catalonia

I found out the hard way that Catalans take some things in life very seriously. At a boring party in Barcelona a few years ago, tongue in cheek, I proposed that *botifarra*, the peasant sausage which seemed to figure so prominently in every meal, should be the national symbol of Catalonia.

Silence ensued. I was only rescued from a potential lynching by my friend, Cristina, who explained away the remark as an example of British humour. She then whispered *sotto voce* that nationalism and cuisine have iconic status in the Catalan heart and would I kindly be quiet.

But taking pity on a philistine, she promised to widen my culinary horizons and, for a happy two months, we met once a week to lunch at a different restaurant in the city. This year, after a break of five years, I went back, curious to see whether *botifarra* still ruled supreme.

On a rainy Sunday afternoon, we visited the Can Punyetes (Francesc Giner 8-10, tel: 219 7948) in labyrinthine Gràcia not far from the Diagonal, the broad avenue which cuts through the centre.

Sure enough, *botifarra* was high on the menu. Cristina, now an elegant civil servant, chose fava; a stew of beans, *botifarra negra*, bacon and spring onions cooked in red wine. I attacked the *escudella*, a beef broth with chick peas, pasta, carrots and cabbage before going on to grilled *botifarra amb mongetes* with all *l'ort*. The thick sausage, grilled over charcoal and served with white beans, was delicious.

We finished with *mel i mató*, cottage cheese covered in honey. The bill, including wine and coffee, was Ptas3,890 (£15) for two. Another favourite, years ago, was Can Lluís, (Carrer de la Cera 49, tel: 441 1187)

in the back streets of the Barri Gòtic. Ten minutes from the Ramblas and close to the Liceu Opera House, it was a haunt of singers and actors. It seemed unchanged when I went in on a quiet Monday lunchtime.

I opted for the menu of the day, starting with the verdura Can Lluís, a plate of boiled potato and runner beans with olive oil, followed by a large grilled tuna steak with aubergines and a half bottle of dry white wine from Sant Sadurn d'Anoia.

I lingered over the dessert, *crema catalana* - a thick baked custard glazed with melted sugar. The bill, including wine and coffee, came to Ptas1,500.

My last day was spent in Barcelona, the old fishermen's *barrio* on the eastern side of the port of Barcelona. In pre-Olympic days, before 1992, a row of restaurants there served some of the best seafood in town. Today, only two of the old restaurants appear to have survived, separated from the sea by a wide corniche. I lunched at Can Costa, in Pg Don Joan de Borbó Placeta Barceloneta (Baluard 124, tel: 221 5903), sitting underneath a sun umbrella watching black-suited surfers.

I started with *sopa de rap*, a light, delicious soup of monkfish with onions and carrots, to be followed by *arros negre*. Sizzling in its own paella dish, the black rice, mixed with calamars, prawns, crayfish, eel and fish, is cooked in fresh squid ink.

The waiter suggested a crisp white Rioja, which went well with the succulent rice. For dessert, I chose *crema de zocolata en cappuccino* - a chocolate custard topped with whipped cream sprinkled with pine nuts. This, at Ptas4,600, was the most expensive lunch of all.

Nick Haslam

Burma

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INTERNATIONAL ARTS GUIDE

What's on around the world

AMSTERDAM

EXHIBITIONS
Rijksmuseum
 Tel: 31-20-673 2121
 Whistler and Holland: paintings and etchings by James McNeill Whistler (1834-1903), who made several journeys to the Netherlands between 1863 and 1903, most famously in 1889, when he produced 14 etchings and paintings of Amsterdam. Also included are works by Dutch contemporaries; to Nov 9

Van Gogh Museum
 Tel: 31-20-570 5200
 Second of four summer exhibitions of drawings by Van Gogh. This time it is the turn of the works produced when the artist lived in Nuenen, 1883-1885. The exhibition is shown in two parts, with a changeover on Aug 18; to Oct 12

BERLIN

CONCERTS
Konzertsaal Tel: 49-30-203090
 ● Berlin Symphony Orchestra: conducted by Edoardo Guller in works by Korngold, Ligeti and Beethoven, with soloist Peter Bruns; Aug 30
 ● German Symphony Orchestra of Berlin conducted by Vladimir Ashkenazy in an all-Beethoven programme, with piano soloist Louis Lortie; Aug 30, 31

Philharmonie Tel: 49-30-2548 8354
 European Union Youth Orchestra: Bernard Haitink conducts works by Beethoven and Bruckner; with piano soloist Emanuel Ax; Sep 3

EDINBURGH

Edinburgh International Festival
 Tel: 44-131-473 2000
CONCERTS
 Black on White: by Heiner Goebbels, whose jazz, rock and world music-influenced compositions have won him European celebrity, although he remains a relative unknown in the UK. This piece, subtitled *Music Theatre for Eighteen Players*, is performed by Ensemble Modern, with sets and lighting designed by Jean Kalman, costumes by Jasmin Andrae; at the Royal Lyceum Theatre; last performance is tonight

DANCE
 Nederlands Dans Theater III: *Tears of Laughter*, choreographed by Jiri Kylian. Sister company of Nederlands Dans Theater 1, formed for mature dancers. Programme of five separate works; at the Edinburgh Playhouse; last performance is tonight

THEATRE
 ● The Cherry Orchard: by Anton Chekhov. After the success of last year's *Uncle Vanya*, Peter Stein returns to Edinburgh with Chekhov's most famous play, in a Salzburg Festival production seen there in 1985 and 1986. Jutta Lampe is Ranyevskaya. Performed in German with subtitles; at the Edinburgh Festival Theatre; last performance is tonight
 ● The Cocktail Party: by T S Eliot. Premiered at the 1949 Edinburgh Festival, this Royal Lyceum Theatre Company production of Eliot's drawing room comedy seeks to illuminate its hidden depths; the director is Philip Franks; at the King's Theatre; last performance is tonight

EXHIBITIONS
National Gallery of Scotland
 Tel: 44-131-624 6200
 The Portrait of a Lady: Sargent and Lady Agnew. "Lady Agnew of Lochnaw" by John Singer Sargent (1856-1925) is the centrepiece of this exhibition which includes more than 20 portraits by Sargent himself - including Ellen Terry and Ethel Smyth - as well as works by his contemporaries and memorabilia from his studio. The exhibition also presents something of Lady Agnew herself including pictures and photographs of her family; to Oct 19

Royal Scottish Academy
 Tel: 44-171-624 6200
 Sir Henry Raeburn (1756-1823): major exhibition of around 70 works by this most famous of Scottish painters, bringing together the works owned by the National Gallery with loans from around the world. The exhibition will travel to London; to Oct 5

Scottish National Portrait Gallery
 Tel: 44-131-624 6200
 The Face of Denmark: the product of an exchange organised with the museum's Danish counterpart, this exhibition will include works from the period 1750-1840 and portraits of famous Danes including Hans Christian Andersen and Kierkegaard. In return, Scottish portraits will travel to Denmark in the autumn; ends tomorrow

GLASGOW

EXHIBITIONS
McLellan Galleries
 Tel: 44-141-331 1854
 The Birth of Impressionism: more than 150 works including paintings by Monet, Sisley and Pissarro are presented here in relation to the work that went before them. The six galleries tell the story of Impressionism's reception by the French artistic establishment as well as suggesting the influence of photography, railways and Parisian cafe society on the new painting; to Sep 7

LAUSANNE

EXHIBITIONS
Fondation de l'Hermitage
 Tel: 41-21-320-5001
 Charles Camoin (1879-1965): retrospective which aims to



'The beer drinkers', by Edouard Manet, on display in 'The Birth of Impressionism' exhibition at Glasgow's McLellan Galleries, until September 7

demonstrate Camoin's contribution to Fauvism at the turn of the century and to show the development of his later work, including the influence of Cézanne; to Oct 5

Musée Cantonal des Beaux-Arts
 Tel: 41-21-312 8332
 COBRA 1948-1951: organised to mark the 50th anniversary of a post-war group of experimental artists, who derived their movement's name from their three cities of origin: Copenhagen, Brussels and Amsterdam. The exhibition will travel to Munich and Vienna; to Sep 14

LONDON

CONCERTS
BBC Proms, Royal Albert Hall
 Tel: 44-171-588 8212
 ● BBC Symphony Orchestra: with conductor Tadaaki Otaka performs Dvořák's *Overture Carnival*, Lutosławski's *Cello Concerto* - with principal cellist Paul Watkins - and Brahms' *Symphony No. 1 in C minor*; Aug 30
 ● Esa-Pekka Salonen conducts the Swedish Radio Symphony Orchestra in works by Sibelius, Britten and Stravinsky; with soprano Dawn Upshaw; Aug 31
 ● Hausmusik London: performs Brahms' *Clarinet Quintet in B minor* and Mendelssohn's *Octet in E flat major*; Sep 4
 ● Royal Concertgebouw Orchestra: in a programme of works by Strauss, conducted by Music Director Riccardo Chailly; Sep 2
 ● Royal Concertgebouw Orchestra: conducted by Riccardo Chailly in a programme which includes works by Kauris, Bartók and Strauss; Russian pianist Arkady Volodos plays Rakhmaninov's *Piano Concerto No. 2 in C minor*; Sep 3
 ● Sir Charles Mackerras conducts a concert performance of Handel's *Jephtha*, performed by The New Company and Scottish Chamber Orchestra; Sep 1
 ● Venus and Adonis: by Hans Werner Henze - Markus Stenz conducts the BBC Symphony Orchestra in the UK premiere of Henze's score, with soprano Evelyn Herlitiz and baritone Ekkehard Wäschke; Monteverdi's madrigals are performed by the Gabrieli Consort and Players, directed by Paul McCreesh; Sep 5
 ● Yan Pascal Tortelier: conducts the BBC Philharmonic in Mozart's *Piano Concerto No. 25 in C major*, K503, with soloist Alfredo Perl; and Ravel's *Daphnis and Chloé*, with the BBC Singers and Royal Liverpool Philharmonic Choir; Sep 4

EXHIBITIONS
British Museum Tel: 44-171-636 1555
 Arts of Korea: overview of Korean art and archaeology ranging from the Neolithic period to the 19th century. Exhibits include a royal gold crown from the Silla kingdom, early Buddhist manuscripts, Koryŏ ceramics and 18th century landscapes. The exhibition is scheduled to run until 2000, when it will be replaced by a new, permanent Korean Gallery
National Gallery Tel: 44-171-639 3321
 ● Cranach: A Closer Look: the Gallery's eight paintings by Lucas Cranach the Elder (1472-1553) are joined by three on loan from Copenhagen; to Sep 7
 ● Seurat and The Bathers: places Seurat's great "Bathers at Asnières" in a context provided by his own earlier work, and studies and drawings for the painting, as well as works by predecessors who influenced him, and by his Impressionist contemporaries; to Sep 28

The Old Vic Tel: 44-171-928 6655
 ● King Lear: Peter Hall directs Shakespeare's tragedy for the first time, in a production based on the 1623 text with Alan Howard in the title role; in repertory
 ● The Provok'd Wife: Lindsay Posner directs Alison Steadman and Michael Pennington in Venbrugh's comic take on sexual politics in Restoration England; in repertory
 ● The Seagull: by Anton Chekhov, in a version by Tom Stoppard directed by Peter Hall. Felicity Kendal is Madame Arkadina, Dominic West her unhappy son, Michael Pennington her lover; in repertory
 ● Waiting for Godot: by Samuel Beckett. Ben Kingsley and Alan Howard play Estragon and Vladimir. The director is Peter Hall; in repertory

Lucerne
International Festival of Music
 Tel: 41-41-210 3080

National Portrait Gallery
 Tel: 44-171-3060055
 The Pursuit of Beauty: Five Centuries of Body Adornment - organised by the Education Department, this chronologically arranged exhibition traces the history of fashion through the art of portraiture; to Oct 26

Royal Academy of Arts
 Tel: 44-171-439 7438
 Hiroshige: Images of Mist, Rain, Moon and Snow - celebration of the bicentenary of Hiroshige (1797-1858). Japanese master of the coloured woodcut, whose landscapes provide an atmospheric picture of 19th century Japan; to Sep 28

Tate Gallery Tel: 44-171-887 6000
 Mondrian: Nature to Abstraction - a series of drawings and paintings of trees and the sea, executed in Paris before 1914, forms the core of this exhibition of works loaned by the Gemeentemuseum in the Hague. The 60 works selected trace the artist's development towards the mature abstraction of his famous grid paintings; to Nov 30

THEATRE
Aldwych Tel: 44-171-416 6003
 Life Support: Alan Bates stars in a new comedy by Simon Gray, directed by Harold Pinter

National Theatre
 Tel: 44-171-928 2252
 ● King Lear: by Shakespeare. Highly praised production directed by Richard Eyre, with Ian Holm in the title role; Cottesloe Theatre; in repertory
 ● Amy's View: Judi Dench and Samantha Bond star as mother and daughter in a new play by David Hare directed by Richard Eyre; Lyttelton Theatre; in repertory
 ● Chips with Everything: by Arnold Wesker (1962). Directed by Howard Davies and designed by Rob Howell; Lyttelton Theatre; in repertory

Shakespeare's Globe
 Tel: 44-171-401 9919
 ● Henry V: by Shakespeare - Mark Rylands stars as the young king in a production directed by Richard Olivier and designed by Jenny Tiramani; in repertory
 ● A Chaste Maid in Cheapside: First performed in 1613 at the Swan Theatre, Thomas Middleton's comedy has been chosen for the theatre's opening season for its vivid portrait of London in the early 1600s. Directed by Malcolm McKay; in repertory
 ● The Maid's Tragedy: by Francis Beaumont and John Fletcher. Directed by Lucy Bailey; in repertory

Museum of Modern Art
 Tel: 2-121-703 9480
 This retrospective of the Stanberg brothers promises to be MOMA's largest graphic design retrospective to date. Bright young things of the Russian avant-garde, Vladimir later became Chief of Design for Red

CONCERTS
 ● Berlin Philharmonic Orchestra: conducted by Claudio Abbado in works by Mendelssohn. With the Slowakischer Philharmonischer Chor; at the von Moos-Stahl-Halle; Aug 31
 ● Berlin Philharmonic Orchestra: conducted by Claudio Abbado in works by Schubert and Rihm. With violin soloist Rainer Kussmaul; at the von Moos-Stahl-Halle; Sep 1
 ● Budapest Festival Orchestra: conducted by Charles Dutoit in works by Berlioz and Liszt. With piano soloist Martha Argerich; at the von Moos-Stahl-Halle; Sep 3
 ● Budapest Festival Orchestra and the Luzerner Festwochenchor conducted by Charles Dutoit in works by Berlioz, Debussy and Holst; at the von Moos-Stahl-Halle; Sep 4
 ● Orchestra Filarmonica della Scala: conducted by Riccardo Muti in works by Pergolesi, Busoni and Respighi. With soprano Barbara Fritoli and mezzo-soprano Anna Caterina Antonacci; at the von Moos-Stahl-Halle; Sep 5
 ● Oslo Philharmonic: conducted by Marius Jansons in works by Beethoven, Strauss and Bartók; at the von Moos-Stahl-Halle; Sep 2
 ● Philharmonia Orchestra: conducted by Claus Peter Flor in works by Tchaikovsky and Shostakovich; with violin soloist Julian Rachlin; at the von Moos-Stahl-Halle; Aug 30

THEATRE
Lucille Lortel, 121 Christopher St.
 Tel: 1-212-239 6200
 As Bees in Honey Drown: by Douglas Carter Beane. Directed by Mark Brokaw. Cast includes T. Scott Cunningham and J. Smith-Cameron

Belasco, 111 W. 44th St.
 Tel: 1-212-239 6200
 A Doll's House: Janet McTeer's much admired Nora plays opposite Owen Teale's Torvald in this sexually charged rendition of Ibsen's play, first seen in London and directed by Anthony Page

Minetta Lane Theatre
 Tel: 1-212-420 8000
 Gross Indecency: The Three Trials of Oscar Wilde: Written and directed by Moisés Kaufman, based on transcripts, letters and other writings. Michael Emerson plays Wilde

OTTAWA
EXHIBITIONS
National Gallery of Canada
 Tel: 1-613-990 1885
 Renoir Portraits: featuring works from throughout his career, this exhibition includes some of Renoir's most famous paintings. The show will travel to Chicago and Texas; to Sep 14

PARIS
EXHIBITIONS
Jeu de Paume Tel: 33-1-4703 1250
 César: major retrospective of one of the most important French sculptors of the twentieth century. Tracing the different approaches and materials with which he worked, the exhibition includes almost 500 objects loaned from museums and collectors in France and abroad; to Oct 19

Musée National d'Art Moderne, Centre Georges Pompidou
 Tel: 33-1-4478 1233
 Fernand Léger: retrospective of the early modernist, who emerged from the Cubist revolution around 1910 to move towards abstraction. His experiences in the war and socialist principles led him back to figurative painting. The exhibition will travel to Madrid and New York; to Sep 29

MUNICH
EXHIBITIONS
Kunsthalle der Hypo-Kulturstiftung
 Tel: 49-89-224412
 Markus Lüpertz (b. 1941), one of Germany's leading artists, is the subject of a retrospective which includes paintings, drawings and sculptures from throughout his career; to Sep 14

NEW YORK
EXHIBITIONS
Metropolitan Museum of Art
 Tel: 1-212-570 3951
 Ivan Albright, Magic Realist: retrospective consisting of 45 paintings by the Chicago-based artist Ivan Albright (1897-1983). Includes still-lives, character studies, 25 self-portraits and the "Picture of Dorian Gray" (1943-44) created for the film of the same name; to Sep 7

Salzburg
Salzburg Festival
 Tel: 43-662-844501
CONCERTS
 SWF-Sinfonieorchester Freiburg and the Edinburgh Festival Singers conducted by Michael Gielen in works by Holliker and Kurtág. With violin soloist Thomas

Square, while Georgii died in 1933, possibly at the hands of the KGB. Pioneers of advertising, the brothers are best known for the arresting posters they designed for Soviet cinema in the 1920s; ends on Tuesday

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Zehetmair; at the Grosses Festspielhaus; Aug 31

OPERA
 ● Boris Godunov: by Mossorgski. Conducted by Valerie Gergiev in a staging by Herbert Wernicke. Samuel Ramey sings the title role. Cast also includes Philip Langridge. With the Vienna Philharmonic, the Konzertvereinigung Wiener Staatsopernchor and the Slowakischer Philharmonischer Chor Bratislava; at the Grosses Festspielhaus; Aug 30
 ● La Clemenza di Tito: by Mozart. Conducted by Gustav Kuhn, directed by Ursel and Karl-Ernst Hermann and designed by Karl-Ernst Hermann. With the Camerata Academica Salzburg and the Konzertvereinigung Wiener Staatsopernchor; at the Kleines Festspielhaus; Aug 31

TANGLEWOOD
JAZZ
Tanglewood Festival
 Tel: 1-617-931 2000
 ● Dave Brubeck Quartet: Ozawa Hall; Aug 31
 ● New Black Eagle Jazz Band, with special guest Odette: Ozawa Hall; Aug 31
 ● Pianist Randy Weston: Ozawa Hall; Aug 30
 ● Sonny Rollins Quartet: Ozawa Hall; Aug 30

THE HAGUE
EXHIBITIONS
Museum Het Paleis
 Tel: 31-70-338-1111
 The Dandy - Fashion, Art and Literature. Dutch design duo Ravage have recreated three scenes: the dressing-room of George "Beau" Brummell, father of dandyism; the black dining room from Huysmans' novel *A rebours*; and the "summer dandy" with his all-white wardrobe, c. 1915. On the upper floor are 30 portraits of celebrated dandies and numerous accessories. On the top floor are caricatures, fashion plates and modern examples of the influence of the dandy; ends tomorrow

VENICE
EXHIBITIONS
Giardini di Castello, the Corderie della Tana and elsewhere in the city
 Venice Biennale: The 47th International Art Exhibition is larger than ever, with 58 participating nations and a strong showing from the underdeveloped world. The theme of the central exhibition, at the Corderie and the central Pavilion, is "Future, Present, Past". Its curator, the critic Germano Celant, has opted to present the work of 71 artists in three chronologically ordered categories spanning from the 1960s to the present, and has chosen a lot of installation and video works; to Nov 9

VERONA
OPERA
Arena di Verona Tel: 39-45-800 5151
 ● Aida: by Verdi. Conducted by Nello Sanzi (Roberto Tollomelli on Aug 31), in a staging by Gianfranco de Bosio, revived by Susy Attardo
 ● Rigoletto: by Verdi. Conducted by Nello Sanzi (Roberto Tollomelli tonight) in a revival of Lotfi Mansouri's staging

VIENNA
EXHIBITIONS
Kunstforum der Bank Austria
 Tel: 43-1-533 2266
 Art and Insanity: wide-ranging survey of the relationship between madness and the visual arts, from the Baroque to the modern. The 350 works on display include Géricault's portraits of the mentally ill, 19th-century representations of lunatic asylums, expressionist works, and a selection of works by psychotic and schizophrenic artists; opens on Friday

WASHINGTON
CONCERTS
Kennedy Center
 Tel: 1-2-2-467 4600
 ● National Symphony Orchestra. Beethoven Festival: Leonard Slatkin conducts the Symphony No. 10 in E-flat major and Symphony No. 9 in D minor; Eisenhower Theater; Sep 5, 11
 ● National Symphony Orchestra. Beethoven Festival: Leonard Slatkin conducts a programme including excerpts from *The Creatures of Prometheus* and Symphony No. 3 in E-flat major; Eisenhower Theater; Sep 8, 10

EXHIBITIONS
National Gallery of Art
 Tel: 1-202-737 4215
 ● Sculpture of Angkor and Ancient Cambodia: Millennium of Glory. Around 100 works dating from 6th-16th centuries make up this exhibition of Khmer sculpture, the first of its kind in the US. Previously seen in Paris, the show will travel to Japan; to Sep 28
 ● Thirty-Five Years at Crown Point Press: 122 works on paper created by 48 artists at the print workshop founded by Katharine Brown as a community studio in the Bay area in 1962. The exhibition will travel to San Francisco; ends on Monday

THEATRE
Wolf Trap Tel: 1-703-218 6500
 West Side Story: 40th anniversary production of the Bernstein/Sondheim musical; to Aug 31

ZURICH
EXHIBITIONS
Kunsthau Zürich Tel: 41-1-262-0909
 Birth of the Cool: survey of American art in the latter half of this century. The artists include Georgia O'Keeffe, Jackson Pollock, Andy Warhol and Chuck Close; to Sep 7

FT Arts Guide e-mail:
 susanna.rustin@ft.com
 Listings supplied by ArtBase, Amsterdam. Tel: 31-20-664 6441
 E-mail: artbase@p.nl.net

Don't know

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1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

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